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The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

61st Year, No. 3
January 17, 1957

Auto BI, PDL and PHD Go Up in Most West Coast States

Comprehensive Deductible of \$50 Introduced, Changes Are Effective Jan. 16

National Bureau of Casualty Underwriters and National Automobile Underwriters Assn. have revised automobile rates for California, Washington, Arizona, Nevada, Montana, Idaho and Utah, effective Jan. 16.

Bodily injury, property damage liability and physical damage rates are increased in all of the states except Utah, where they are up and down. The \$50 deductible comprehensive for private passenger cars is introduced in all seven states. Farmers continue to get their 20% off the going rate. Besides getting a big boost in casualty premiums, the under-25 bachelor gets a 30% increase in collision premiums, exclusive of the effect of other collision adjustments.

Last week the two rating bureaus announced increases for Oregon.

In California, where experience has been unfavorable, casualty rates are increased for all car classifications. For cars without male operators under 25 the increases range from \$1 to \$19. For cars owned or operated by married young men under 25 and family cars with young male operators the increases range \$10 to \$28. For cars owned or principally operated by unmarried young men under 25, the increases are \$27 to \$70.

NAUA explains that losses have increased because of the higher cost of parts and new automobiles and increasing loss frequencies. For several

(CONTINUED ON PAGE 30)

Four Commissioners Named in Midwest

Insurance commissioners of four midwest states were appointed this week. The states involved are Illinois, Indiana, Iowa and Ohio, and the commissioners are:

Gerber in Illinois

Joseph S. Gerber, an attorney with the Chicago law firm of Jonas & Jonas, has been appointed Illinois director of insurance to succeed Justin T. McCarthy, resigned.

Mr. Gerber has for several years been counsel for Insurance Brokers Assn. of Illinois. He was with the Illinois department during the administration of Gov. Green, when the directors were Paul Jones and Nellis Parkinson. His duties were confined mostly to Chicago, where he was, among other things, in charge of license examinations.

Mr. Gerber has been an officer until recently of two Chicago mutual insurers, Mercury Mutual and Capitol Casualty Mutual. He and others took over the charter of Mercury Mutual in the fall of 1955, Mr. Gerber becoming president. Mercury's home office address is the same as the law firm of Jonas & Jonas. It specializes in sub-standard fire business on dwellings, apartments and mercantiles in Cook county only, writes a small amount of sub-standard automobile PHD, and is admitted in Indiana but does no business there. The company was organized in 1948 by Seymour Orner as La Salle F.&M. Mutual.

Capitol Casualty Mutual is a plate glass specialty company. Mr. Gerber was attorney for President Roger M. Tauman in 1953 when Mr. Tauman and others took over the charter, and Mr. Gerber became secretary. He is in the process of resigning from that position. According to President Donald C. Peterson of Mercury Mutual, Mr. Gerber resigned from that company about Dec. 31.

Mr. McCarthy is a protege of George Barrett, former Illinois attorney-general, whose brother, Robert, was director for two years until his death and Mr. McCarthy took over. The insurance business had a difficult time with Messrs. Barrett and McCarthy, and the situation culminated during the last election campaign in an expose in the St. Louis Post-Dispatch in which was emphasized the connection between George Barrett and Mr. McCarthy.

Mr. Gerber is known to have expressed criticism of the conduct of the Illinois department under the administration of his predecessor.

Mr. Gerber was reported to have told newspapermen that he would "not be influenced by former attorney-general George F. Barrett in the operation of the insurance department."

"I know the general (Barrett) through politics, but have seen him only once since 1952," Mr. Gerber told newsmen. "I have had no professional or social dealings with him. I intend to keep my eyes open and to live by the insurance code. I have worked with some of the career men in the de-

(CONTINUED ON PAGE 24)

National Board's Ad Campaign Unveiled in Detail at Chicago

By JOHN C. BURRIDGE

Details of the new National Board radio and TV advertising program were given to agents from 15 midwestern states this week in Chicago by Fred W. Westervelt Jr., manager of the board's public relations department, and David Gibson of the advertising agency handling the campaign. Archie M. Slawsby of Nashua, N.H., a member of the executive committee, represented National Assn. of Insurance Agents.

The board program will consist of spot announcements over a 13-week period, beginning March 4, and it was emphasized and made obvious by the speakers that the success of the endeavor depends to a very large extent on the willingness of agents, individually and collectively, to spend money on tie-in advertising and to solicit new business. The National Board program will of necessity be somewhat general in nature, emphasizing the themes of stock company insurance, the agency system and the purchase of insurance, but the identification of the local agent will have to be done by supplementary advertising, direct mail and personal solicitation. Mr. Slawsby pointed out that NAIA "strongly endorses" the program and is "enthusiastic" about it, since it enables agents to capitalize on national advertising to increase their premium volume.

However, he added, the agents have to give wholehearted support and co-operation. The results of the campaign will be weighed by the National Board and this campaign will be a strong determining factor in the future course of action. If it is unsuccessful because

(CONTINUED ON PAGE 16)

1956 Figures Show Need of More Rate to Pay Losses

Insurers Are Doing Some Soul Searching as They View Last Year's Results

By KENNETH O. FORCE

As the business adds up the score for 1956, the figures look pretty lugubrious. Few companies have done well. Many of them have done poorly. For many of them, earnings on other businesses (investments) will not make up for losses on their own business (underwriting). This is a period of soul searching in the business, of re-assessment of practices and principles.

But one fact is clear. The business needs more money to pay losses and expenses.

The casualty business, notably in the automobile line, already has started to get more money by increasing rates. The fire business is talking about the need for increasing rates because of the impact of inflation on the loss ratio, but no definite move is under way to get higher fire rates, and apparently there will be no such move for months, if ever.

However, the fire business can get more money to pay losses in a way not so available to casualty, and that by increased insurance to value. The fire business has announced its move in that direction with the projected radio and TV program of National Board to get higher insurance to value, among other things.

Getting increased rates seems to present difficulty to the fire business. Extended coverage? That is catastro-

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Highlights of the Week's News

Travelers group names several new officers	Page 19
Continental Casualty combines burglary, fidelity and glass units	Page 10
Leakville agents elect Scholtz, Wyatt and Barnes	Page 18
Mutual spokesman favors New York type of compulsory auto rather than UJF or UM coverage	Page 5
Southern agents ask for preview of form filings, hold successful workshop	Page 2
Allstate to enter personal theft field	Page 2
Personnel man takes a look at the 1957 employment situation	Page 15
"Joe happy" individuals making insurers pay the piper	Page 15
A&S benefits climb to \$1.5 billion in nine months of 1956	Page 8
Company leaders on hand for Harris agency rally	Page 8
Texas graduated rule issue probably will be decided in court	Page 24
Flexible auto rate bill filed in Texas	Page 24
General of Seattle enters life field with \$5 million company	Page 4
Chicago Buckeye club to have Vorys as guest at annual rally	Page 4

Late News Bulletins ...

Egypt Takes Control of Insurer Assets

The order of the Egyptian government placing insurance assets of "enemy aliens" under government control is expected to affect principally British and French insurance operations in that country. The French and British insurers began to close up shop as of Nov. 1, and American insurance interests in the country began to assume much of the business.

Latest figures show that there were 85 fire companies operating in Egypt, eight of them Egyptian, 39 British and seven U. S. There were 23 life companies of which seven were Egyptian, four British and six French. There are no American life companies operating in Egypt.

N. Y. Gets Taste of Fun of Compulsory

New York citizens are getting their first taste of the pleasures of compulsory, with waiting lines at the motor vehicle bureau's six offices throughout the state growing longer and wider as the Feb. 1 deadline for securing license plates draws near. At the Worth street building of the MV bureau in downtown New York City this week the line contained more than 1,000 persons and approximately 750 were inside processing forms, paying the registration fee, checking to see that their FS-1 form evidencing insurance agreed precisely with the registration. State police were out in force to maintain order and to prevent motorists from breaking line. The entire procedure was taking the motorist several hours providing all his papers were in order and he didn't have to leave the line to go to the john.

At the finish line of the registration-compulsory processing, an agent of Allstate has set up a booth. For those who inquired about the Allstate fac-

(CONTINUED ON PAGE 32)

Southern Agents Ask Preview of Form Filings, Hold Successful Work Shop

A new venture for Southern Agents Conference was a recent all day workshop in Atlanta of its four working committees. The session was regarded as an outstanding success. The meeting attracted 29 of 31 committee members and produced several detailed reports which will be reviewed and discussed between now and the annual meeting in New Orleans March 24-26.

The property committee adopted a resolution, which was endorsed by the other committees attending the session, and which will be presented to SAC in New Orleans. In the meantime it will get circulation throughout SAC territory. The resolution solicits cooperation of company executives to secure reference of all filings involving forms and rules to the conference committee of the state involved well before actual filing.

Agents believe this will eliminate or minimize the necessity of hearings before insurance departments, give companies the agency point of view before companies commit themselves to a filing, and enable agency associations to develop agent support of filings. Differences of opinion within the family should be confined there and not require arbitration if it can possibly be avoided, the resolution points out.

Frank R. Bell Jr. of Charleston, W. Va., chairman of the conference, presided at the workshop, assisted by James R. Walker of Atlanta, vice-chairman, and Richard S. Brantley of

the North Carolina association, SAC secretary. The public relations committee report will be presented in New Orleans in March and the special risks committee reviewed past operations.

However, both the property and casualty committees covered a great deal of ground.

On hand for the property committee meeting were John L. Ebaugh of Birmingham; Richard Elliott of Richmond; William Fambrough of Columbus, Ga.; Lee R. Meyer of Meridian, Miss.; Clyde E. Smith Jr. of Martinsburg, W. Va.; Gibson Stevenson of Houma, La. and Bernard J. Olasov of Charleston, S. C., chairman.

The committee agreed that it would be advantageous for bureaus to include clauses and permits now printed separately in class forms where possible, discontinue printing separate clauses and permits when incorporated in class forms, and adopt a clause sheet similar to that used in Maryland.

The committee approved the principle of graduated rates for fire and extended coverage on dwellings, and suggested NAIA and rating bureaus study the matter, particularly the loss experience of dwellings valued at less than \$5,000.

Preferred risks such as AAA and sprinklered buildings, especially in the southeast, are coming more and more under direct writing competition, and the committee recommended that rating bureaus adopt a "crash" pro-

gram by completely revising the rating schedule affecting these classes. The classes have very low loss ratios and rates should be made realistic.

Presently, two basic dwelling forms are used for National Board classes 1-8 and 9-10. The only difference is that the form applicable to classes 9-10 contains a restriction limiting unoccupancy to 90 days. The companies would lose nothing important if the



Frank R. Bell Jr.



R. Newell Lusby

unoccupancy provision were standardized in all forms, the committee contended. The savings effected by use of one dwelling form would be considerable. The dwelling broad form and special form used for all National Board classes contain no vacancy or unoccupancy restriction.

The committee approved the principle of extending present fire forms covering contents on mercantile and manufacturing classes to provide off-premises coverage. A form was suggested which limits off-premises coverage for mercantile classes to 10% of the policy amount but not exceeding \$1,000, and for manufacturing classes 2% of the policy but not exceeding \$10,000.

In some states the EC rate on contents is only 50% of the building rate. This matter should be studied, the committee believes, and the theory explored of different EC rates for building and contents.

The committee also recommended that homeowners A and B policies provide full coverage for theft and mysterious disappearance claims. Further study should be given to eliminating from the standard mortgagee clause the stipulation that the clause does not apply to personal property.

The casualty committee devoted its attention principally to the uninsured motorist cover. J. O. Hatch of Savannah, chairman; David J. Brewer of Greenwood, Miss.; G. W. Mackey of Richmond; Joe B. Chapman of Birmingham, and D. A. Bolton of Jacksonville, Fla., attended. David Schenck of Greensboro, N. C., a member of the NAIA casualty committee, and C. A. Meriwether of Atlanta, a member of the SAC special risks committee were visitors.

R. Newell Lusby, secretary of America Fore, also participated.

Mr. Hatch said he hoped an appeal would be made by SAC to member associations that the family protection coverage of National Bureau of Casualty Underwriters be made a part of the policy. Mr. Bolton said the endorsement was being used because the coverage is experimental and may later be changed. Also, some states have a statutory automobile policy, and it is easier to get approval of an endorsement than to get a change in the policy. The endorsement is considered the most expedient method of making the coverage available.

Mr. Chapman said insured will ask why no property damage coverage is included in the family protection endorsement. Mr. Hatch replied that this protection has been available right

(CONTINUED ON PAGE 27)

Allstate to Enter Personal Theft Field

Allstate announced this week that it will soon enter the personal theft insurance field with a low-cost policy designed for the "75% of our population which is now uninsured against thefts."

"Our experience in automobile, general liability, and residential fire insurance has shown that policy premiums can be reasonable and still provide top dollar coverage," President Calvin Fentress Jr. said. "Through mechanization and streamlining of office procedures and lower acquisition costs we can effect savings which can be passed on to the public in the form of economical premiums."

He indicated the new policy will be in illustrated booklet form with large type and simplified language.

Allstate has in recent years ventured into two other fields. In 1953 it entered the general liability field and in 1954 offered a line of residential fire insurance.

State Farm to Spend \$2 Million on TV in '57

Television will get 80% of State Farm Mutual Automobile's 1957 national advertising budget, up slightly from 1956 to \$2½ million.

For the first time, State Farm will sponsor local news-weather-sports shows in 21 markets. These will be in addition to the regular schedule of network television, which carries Red Barber to 114 markets and Hank Weaver to six. Barber's sport show follows the Friday night fights on NBC. Weaver, west coast television personality, has a similar program for ABC after the Wednesday night boxing show.

The company will assign most of its print budget to full-page *Reader's Digest* ads, slated to appear for nine consecutive months starting with the February issue. Three large farm journals will share in the print schedule.

"Our new budget is exactly 1,000% of our budget eight years ago," vice-president T. C. Morrill said. "This doesn't reflect a major move into new markets, but has been necessary simply to sustain our rapid growth."

Needham, Louis & Brorby of Chicago is the agency.

Crawford & Co. Adjusters Opens 5 Branch Offices

Crawford & Co., independent adjusters of Atlanta, has opened west coast branches at 3440 Wilshire boulevard, Los Angeles, managed by R. E. Vogel; 114 Sansome street, San Francisco, managed by A. H. Bailey; Dexter-Horton building, Seattle, managed by E. Q. Key, and 812 Rust building, Tacoma, managed by J. L. Robertson. The company also has opened a branch in Chamber of Commerce building, Albany, N. Y., with Lester Hawkins as manager.

Southern Club Elects

Southern Casualty & Surety Assn. of Atlanta has elected Walter R. Chadwick of Great American Indemnity president, James B. Hayden of Fidelity & Casualty and Frank W. Devine of American Surety vice-presidents, and Edward J. Reid of U.S.F.&G. secretary-treasurer.

Frank R. Barnako, manager of compensation and safety for Bethlehem Steel, addressed Philadelphia CPCU chapter at its January meeting.

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General of Seattle Enters Life Field With \$5 Million Company

Directors of General America Corp., the holding company for General of Seattle group, have authorized the formation of a new life company which will be called General Life of America and start out with a capitalization of \$5 million, allocated \$2 million to capital stock and \$3 million to surplus.

This will be the fifth life company formed as a running mate to big property insurance companies in the last 19 months and the first such formation in 1957. In 1955 Security of New Haven organized Security-Connecticut Life. In 1956 American Surety, North America, and United Pacific entered the life field with separate companies.

Tentative plans call for General Life business to begin July 1. The company will be active in all states and all provinces of Canada. Initially it will concentrate on the ordinary forms of life insurance to which will be added certain package policies, incorporating what is described as "unique features." It is contemplated that General Life will enter the disability and group fields at a later date.

The division offices of General of Seattle are located in New York, St. Louis, Atlanta, Los Angeles, Dallas, San Francisco, and Seattle. The Canadian head office is in Vancouver, B.C., and the life facilities will be offered through them.

General of Seattle group includes General of Seattle, General Casualty, First National, and SAFECO.

"Our reason for adding life insurance to our fire, auto, casualty, and marine facilities," according to W. L. Campbell, president, "is to supply our 6,500 agents in the U.S. and Canada with complete insurance facilities. Our millions of policyholders can soon obtain complete insurance protection in one group of insurance companies, through one agent. The public is depending more and more on one insurance agent for complete protection including fire, auto, life and personal lines."

President Campbell went on to say, "Our decision to organize General Life is the culmination of several years of research."

Experienced life insurance personnel will be added to the present organization. Consulting actuaries have been retained to advise the company on policy forms, rates and other actuarial matters.

General was founded in 1923 by H. K. Dent, now chairman. Total assets of the group are in excess of \$200 million. Premium volume for 1956 was \$115 million.

North British Holds Conferences in East

North British group is holding the first of a scheduled series of field conferences for its eastern, metropolitan, and Philadelphia representatives in Atlantic City. Secretaries P. A. deGruchy, K. W. O'Leary and E. H. Miller are co-chairmen. Speakers include U. S. Manager W. L. Nolen, and assistant U. S. managers J. L. Magenheimer, H. P. Linn, H. W. Casler, and M. B. Baker Jr.

Mutual Rating Bureau's uninsured motorist coverage has been approved in Alabama, effective Jan. 16. The cover now is effective in 37 states.

Chicago Buckeye Club to Have Vorys as Guest at Annual Rally

Arthur I. Vorys, the new Ohio insurance superintendent, will be guest of honor at the 10th anniversary meeting of Chicago Buckeye Club Jan. 28 at the Bismarck hotel. This will probably be the first public appearance of Mr. Vorys, who will head a list of distinguished Ohio visitors including manager C. J. Setzer of Ohio Inspection Bureau; Louis A. Hellmings, president, and Joseph F. Schweer, secretary-treasurer of Cincinnati Underwriters Assn.; and David Zeiser, Great American, president of Ohio Fire Underwriters Assn. Walter Sundstrom, manager of Factory Insurance Assn., also is on the guest list, although his presence at meetings in the past has been a matter of some comment. Mr. Sundstrom is the leader of a former anti-Buckeye movement which died aborning.

Eugene F. Gallagher, manager of Planet, is president of the Buckeye Club, which has a membership of about 85 and is probably the most congenial group of insurance men in the business. The club holds only one meeting a year, but it is an occasion of the first magnitude.

Fire Instructors to Study New Methods

Actual full-scale tests to be conducted by the Memphis fire department using water fog in controlling and ventilating large fires will highlight the annual Fire Department Instructors Conference in Memphis Feb. 19-22.

More than 2,000 persons from 40 states are expected to attend the conference, which is jointly sponsored by Western Actuarial Bureau and the Memphis fire department. Richard E. Vernor, manager of the bureau's fire prevention department, is chairman.

Speakers will include Norton T. Ames, president Wisconsin Council of Firemen's Assns.; Loren S. Bush, chief engineer Pacific Board, and Mayor Ben West of Nashville.

Subjects to be studied include nuclear energy fire detection systems, atomic radiation hazards, health and fire dangers of some insecticides, arson detection training methods, new extinguisher classifications, and reports of progress in research. New fire fighting appliances and procedures for both outdoor and indoor fire control also will be demonstrated.

A special feature of this year's conference is panel groups which will discuss state, regional and local firemen's training, "post mortems" of fires, successful home inspection programs, and farm and country fire protection.

W. Va. Tax Ruling Was Not Certified to Higher Court

Circuit Judge Taylor's ruling holding the West Virginia license tax imposed on insurers by the 1956 legislature invalid was not certified by him to the state supreme court of appeals, as stated in last week's issue. While Judge Taylor offered to certify his ruling, the offer was contingent on both sides consenting to certification. The companies preferred not to accept the offer, so if the state wants to appeal, it will have to follow the usual procedure within the statutory time limit of eight months.

Mutual Spokesman Favors N. Y. Type Compulsory Auto vs UJF or UM Coverage

The reasons for the growing tendency to demand that something be done for the "uncompensated accident victim" were analyzed by Paul S. Wise of American Mutual Alliance in his talk before the annual meeting in Cleveland of American Assn. of University Teachers of Insurance.

At the same time Mr. Wise took occasion to come out strongly in favor of the New York type compulsory auto law or the equal responsibility law. He strongly criticized unsatisfied judgment funds and pointed out a number of weaknesses in the uninsured motorist coverage.

One of the most dominating factors of the insurance business in recent years has been the automobile problem, Mr. Wise pointed out. Insurer claim departments are plagued with the increase of claim mindedness, with organized action by claimants' attorneys to obtain higher verdicts, with the tendency of legislatures, juries and courts to shift the basis of compensating injury—either implicitly or explicitly—from the doctrine of fault to a doctrine of insurance or enterprise liability. These two factors, combined with a spiraling inflationary trend, have produced increased claim costs and consequently a higher loss ratio.

The impact of a high loss ratio raises other seemingly insoluble questions for the underwriter, he said. What can be done to decrease the loss ratio? Should rates be an instrument of loss prevention by attempting to distinguish between the good and the bad driver? Should companies be more selective in their underwriting? What is the basis for a sound rating classification system for automobiles?

The answers to these questions raise complications on the production line. How far can rates be increased before companies price themselves out of the market? Can rates be lowered without lowering agents commission? To what extent are merit rating plans and merit rating classification plans competitive devices, rather than a means of eliminating the problem? These are all present and immediate problems which are requiring decisions of insurance management today.

In the long range view the problems are more fundamental in nature and social in character. They present themselves in four phases of accident responsibility. The first phase is that of responsibility for accident prevention. Although magnificent accom-

plishments have been made in the past by the insurance industry in loss prevention endeavors, the pressure is on for more intense and comprehensive programs at insurance industry expense. The insurance business finds itself bearing a burden created by inadequate laws and the general failure of government to assume its responsibilities in this respect, he declared.

The last three phases are somewhat interrelated and deal with fixing responsibility for the accident, determining the extent of responsibility, and insuring that responsibility.

As to accident responsibility, the basic problem is what principle should lie behind a theory of indemnification for personal injury. What is an excessive verdict? Is it at all possible to devise a system to indemnify for a broken back or leg? Should there be other bases for the payment of personal injury losses? In connection with insuring accident responsibility,

the important problem is the extent of government responsibility to see that drivers are financially responsible and that innocent automobile accident victims are indemnified. The proposed answers to this question involve assigned risk plans, financial responsibility laws, security funds, uninsured motorists coverage, compulsory insurance and unsatisfied judgment fund schemes.

The force which urges increased verdicts and awards, which tears down the concept of fault, and which provides motivation for establishing unsatisfied judgment funds and compulsory insurance is that the tremendous increase in the number of automobiles on over-burdened roads and highways, with its consequential great loss of life and property, demands a more adequate means of compensating those who suffer such loss. Strangely enough, he said the number of deaths per registered vehicle and for miles traveled has decreased steadily and is now at its lowest point in history, much lower than in the 1930s.

Then what has caused the change

in public attitude and the attitude of legislatures to awaken to the urgency of the problem? The reason is fundamental, he said. Security is a desire innate in every individual, and is the basis of the insurance business. Within the last 30 years, however, a new philosophy has developed and gained momentum with a new twist to the security concept. Its basis is that the individual does not have the ultimate responsibility for his own economic security but that such responsibility rests with his government. Hence, social security, welfare agencies, the press for socialized medicine, price supports and other measures, all of which have as their purpose the elimination of risk and the assumption of risk by the government.

This force, Mr. Wise believes, is a major factor in creating a demand that something be done for the "uncompensated accident victim." This force must be recognized if there is to be a proper analysis of the schemes proposed to solve the question, and an effective combatting of the encroachment of government into the

(CONTINUED ON PAGE 31)



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Security-Connecticut Names Three, Opens New Branch Offices

Security-Connecticut has elected two officers, appointed a major division manager, and opened a branch in St. Louis.

Kenneth J. Rowley has been elected secretary-treasurer and John E. Lloyd assistant controller. Robert E. Croke, resident secretary at Chicago, has been named managing underwriter of the western division. W. H. Miller,

Illinois state agent, has been named manager at St. Louis.

Mr. Rowley, who joined the group in 1940, previously was an analyst in the treasurer's office. Mr. Lloyd, whose position is a new one, has been with Security-Connecticut since 1946, when he joined the group as an accountant. Promoted to chief accountant in 1952, he became manager of the accounting and statistical department last year.

Mr. Croke joined Security-Connecticut in 1941 as state agent in northern Illinois, later becoming office manager at Detroit, state agent in Kentucky,

and western marine manager in Chicago. He will supervise all underwriting for 15 midwest states.

Mr. Miller is former state agent in central and southern Illinois. He will be assisted in his new duties by State Agent John F. Dean, and Charles A. Clark, underwriter. Mr. Dean and Mr. Clark went to Security-Connecticut last year. The branch at St. Louis has been established to provide broader service in fire, inland marine, auto liability, general liability, and other lines in eastern Missouri and central and southern Illinois.

Michael Honored on 50th Anniversary With Md. Casualty

Harry C. Michael, vice-president and agency director of Maryland Casualty,

was honored by executives and department managers of the company at a dinner on the occasion of his 50th anniversary with the company. Mr. and Mrs. Michael were presented with a certificate entitling them to a trip around the world, or any alternate trip they may prefer. This was sponsored by hundreds of their friends in the company, both in the home office and field.



Harry C. Michael

William T. Harper, chairman and president, spoke at the dinner, and Harry B. Quinn, retired resident vice-president of the Philadelphia office, presented the gift.

Mr. Michael joined the company Jan. 7, 1907, in the secretary's division, and several months later transferred to the auditing division. When the company went in the bonding business, Mr. Michael served in the fidelity department and later was made assistant superintendent.

In 1915 he became a special agent out of Charlotte, N. C. He returned to the home office in 1917 as assistant auditor. When Maryland Casualty entered life insurance with Maryland Assurance he was made assistant secretary and treasurer and later was promoted to secretary and treasurer. He was called back to Maryland Casualty in 1920 and appointed assistant auditor.

In 1934 he was promoted to assistant agency director and in 1939 to assistant vice-president. He was elected vice-president in charge of the agency division in 1942.

N. Y. Surety Men See Niagara Power Film

Surety Underwriter's Assn. of New York City was shown a documentary film, "Power From Niagara," which presents the story of the construction, under the city of Niagara Falls, Ont., of a hydraulic pressure tunnel designed to meet the increasing demand for power and water.

The film, produced by B. Perini & Sons, general contractors in charge of the tunnel operation, shows how the tunnel, 51 feet in diameter, was dynamited to permit 18 million gallons of water to be carried to turbines furnishing light and power to the Ontario area. H. A. Letoile, assistant to the president of the construction company, introduced the film.

Fireman's Fund Elects Kingsley Assistant V-P

Philip F. Kingsley has been elected an assistant vice-president of Fireman's Fund. He is manager of the Pacific department fire operations in San Francisco and has been with the company since 1925.

Schiffman Progressive Mutual V-P

Marvin E. Schiffman has been elected vice-president of Progressive Mutual of Cleveland. He joined the company as an agent in 1939, and has recently been manager of the fire division. He will now be in charge of agency sales and production. Mr. Schiffman is also a director of Progressive Casualty.

WHAT DO YOU USE TO MEASURE LEADERSHIP...?

The tape measure may provide an accurate measurement of girth... but girth is no accurate measurement of leadership. In this highly technical age "close tolerances" are every-day standards... whether gauging the accuracy of a fine moving part in a precision instrument... or evaluating the services rendered by a business organization. The philosophy of Chubb & Son for almost three-quarters of a century is characterized by the development and expansion of the individual phases of its services... each a precision part of a precision function. Its leadership is the natural result of its "close tolerance" performance. Chubb & Son squarely meets today's exacting methods of gauging... a true measure of leadership.

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Ocean and Inland Marine • Transportation • Fire and Automobile • Casualty • Surety • Fidelity
Aviation Insurance through Associated Aviation Underwriters

Cleveland Board Hears Davis Discuss UM Cover

Roy L. Davis, midwestern manager of Assn. of Casualty & Surety Companies, discussed uninsured motorist coverage at a meeting of the Cleveland Board Jan. 8.

"Contrary to common belief," Mr. Davis declared, "compulsory auto insurance would not provide monetary relief to all persons killed or injured in auto accidents." He pointed out that compulsory would not protect against hit-and-run drivers or drivers of stolen cars, "cars used without insurance in violation of law, or accidents caused by those not subject to the law or where no liability exists."

In listing other disadvantages of compulsory, Mr. Davis also stated that it gives less protection than voluntary coverage, since motorists tend to buy only that coverage required by law; it becomes a victim of politics, especially in ratemaking; it inflates rates above prevailing levels and it is a threat to private enterprise.

The only positive solution to the uninsured driver problem, Mr. Davis said, is the uninsured motorist endorsement, backed by a strong safety responsibility law and aggressive traffic law enforcement.

These voluntary coverages "afford broader protection than a compulsory law ever could," according to Mr. Davis. One form will pay motorists damages if they or members of their families are injured by uninsured cars, "even when the injury occurs while the insured is not occupying an auto, as, for example, if struck by an uninsured car while walking or bicycling. A hit-and-run car will be regarded as an uninsured car, and coverage will apply," Mr. Davis asserted.

Move to Correct the Flaws in Installment Sales

The Liberal party of New York in its 1957 legislative program urges the state legislature to set up additional safeguards for installment sales of all kinds, including full disclosure of the terms of such contracts.

In Massachusetts a hearing will be held Jan. 17 to go over rules proposed by the insurance department to reduce gouging and rebating on financed automobile insurance. The proposals include stating the annual premium separately for each coverage in the document given the buyer as well as classification of risk, maintenance by the resident Massachusetts agent of all records on such business in his office for inspection by the department, and restriction of the application for insurance on financed automobiles to physical damage cover.

St. Louis Surety Men Elect E. C. Kottmeier

ST. LOUIS—E. C. Kottmeier, Fidelity & Casualty, was elected president of Surety Underwriters Assn. of St. Louis to succeed Louie H. Antoine, American Auto, who was named to the executive committee. Other officers are: Vice-president, Vincent A. Bayer, Maryland Casualty, and secretary-treasurer, Elmer H. Holt, U.S. Casualty. Named to the executive committee were Harry N. Morgan, Massachusetts Bonding; Wilfred A. Kuennen, Fidelity & Deposit; William C. Casey, Fireman's Fund, and Orville Sackett, U.S.F. & G.

Superior (Wis.) Agents School

Superior (Wis.) Assn. of Insurance Agents is sponsoring monthly educational sessions, featuring talks on fire and casualty insurance problems, forms and laws.

George Treutelaar of the rating

bureau discussed new rules and changes at the December meeting, while Paul Mast, executive secretary of the state association explained the new uninsured motorist endorsement. Commissioner Rogan will speak at the January meeting.

Federated Mutual Promotes Ellis

Edward C. Ellis, vice-president of Federated Mutual has been placed in charge of office operations for the U.S. and Canada. He has been director of sales. C. J. Bailey, general sales manager has been named vice-president and director of sales.

American Casualty Opens Omaha Branch

American Casualty has opened its 51st branch in the City National Bank building, Omaha. The company has been operating in Nebraska and adjacent territory for 10 years through a general agency.

W. Noel Mark, who has been casualty underwriter, special agent and casualty superintendent in this territory for several years, will manage the branch.

He will be assisted by Warren A.

Fisher, casualty manager, and Robert B. Brokaw, claims manager. Mr. Fisher has been a casualty underwriter for 10 years, advancing to superintendent of casualty underwriting. Mr. Brokaw was promoted from claims manager at Indianapolis. He has been with the company 10 years. The branch will serve agents in Nebraska, western Iowa, and North and South Dakota.

The St. Joseph agency, South Bend, Ind., is now located on the second floor of St. Joseph Bank & Trust Co. building.

SAFETY is good business



It's good business to merchandise safety.

Armed with Bituminous' new brochure,

"Safety Is Good Business,"

and with Bituminous' best-in-the-land

safety engineering backing you,

you're equipped to handle the important

compensation and liability risks in your area.

Safety is a potent selling tool.

Use it. And while you're using it,

know that you have the cooperation of

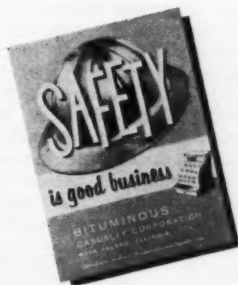
an open-minded, forward-looking

underwriting department, the support of a

claim service that stands by you

like a brother, and payroll auditing

that boasts of 30-day service.



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CASUALTY CORPORATION

BITUMINOUS FIRE AND MARINE INSURANCE COMPANY

ROCK ISLAND, ILLINOIS

Specialists in Workmen's Compensation and Liability Lines

A&S Benefits Climb to \$1.5 Billion in Nine Months of '56

Americans covered by health policies written by insurance companies received during the first nine months of 1956 benefits totaling \$1.5 billion, up 18%, according to Health Insur-

ance Institute. This figure is based on a survey of U. S. companies writing health coverages.

Persons with group health policies received \$1.1 billion in benefits, up 19.6%, while those with individual contracts received \$450 million, up 12.5%.

Hospital expense payments totaled \$669 million, including basic and major medical, with \$488 million going

to persons under group programs and \$181 million to those with individual policies.

Surgical expense benefits totaled \$273 million, including basic and major medical, with \$216 million going to persons with group policies and \$57 million to those with individual contracts.

To help cover the cost of medical care and treatment other than surgery, the companies paid \$48 million under medical expense and major medical expense contracts. Benefits for group medical policies amounted to \$40 million, while payments under individual policies totaled \$8 million.

Payments under policies for loss of income due to sickness or disability came to \$519 million, \$337 million paid under group plans and \$181 million under individual contracts.

Persons under major medical expense policies alone received \$44 million, with \$42 million going to those under group plans and \$2 million to individual policyholders.

In disclosing the results of the survey, the institute said the continued growth of voluntary health insurance demonstrates the need and desire of people to protect themselves against the cost of illness. There are 60 million persons covered by some form of health insurance through insurance company programs. This is over half the total insured population.

The institute in the Jan. 12 issue of *Editor & Publisher* ran what it called its "Opening Announcement" to the publishing industry, explaining that HII has been established as a central source of information for the public by the insurance companies who write health policies.

"The need for some such centralized source of information springs from the amazing growth of voluntary health insurance in recent years," the announcement states.

"In 1946, just 10 years ago, only about 14 million Americans were protected by any form of the four types of health insurance—hospital, surgical, medical, or a loss-of-income—written by insurance companies. By mid 1956, figures showed that 60 million people have hospital protection, 57 million surgical protection, 25 million protection against medical expenses, and 30 million have loss-of-income insurance . . . all covered by insurance companies.

"This is a big story, a dramatic story, reflecting the determination of the American people to help protect themselves against the expenses and financial losses incurred through illness and injury. Because insurance companies have played such an important part in this story, we hope to interpret their role not only in the striking advances that have been made, but in the equally exciting progress ahead."

U. S. Insurers Get \$11 Million Builder's Risk on Grace Liner

Builder's risk insurance of more than \$11 million on the new Grace line's liner *Santa Rosa* will be shared by more than 100 American marine insurers, Carl E. McDowell, executive vice-president of American Institute of Marine Underwriters, said at keel-laying ceremonies held at Newport News Shipbuilding & Drydock Co.

American underwriters will, when the ship is launched, provide a substantial share of the hull and machinery insurance on the ship.

Company Leaders on Hand for Harris Agency Rally

The annual sales meeting last week of the A. H. Harris agency of Mutual Benefit H.A. and United Benefit Life at Springfield, Ill., was marked by the attendance of the presidents of the two companies—V. J. Skutt and N. Murray Longworth. Mr. Harris is embarking in 1957 on his 25th year as general agent for the companies.

Preliminary results of the companies for 1956, for both a year of new records, were related by the presidents.

Mutual of Omaha, which had as its goal \$172 million in A&S premium income this year, made that mark with something to spare—the early estimate being \$172.6 million. This compares with \$156 million in 1955. The company issued more than a million benefit checks last year at the rate of \$1,975,000 a week, for a total of about \$102 million.

United Benefit Life added \$258 million in ordinary in force, \$20 million more than in 1955, and now has total insurance in force of about \$1.6 billion. Surplus amounts to approximately \$37 million and assets to \$268 million.

Last year was the 30th anniversary of United Benefit Life. The company has had an extremely rapid growth, but Mr. Longworth pointed out that it has been on a sound basis. The present rate of gain would indicate that the company will achieve its second \$2 billion by 1959, if not sooner. The goal for this year is a 15% increase.

Mutual of Omaha, at premium income level of \$172 million, probably will pass \$200 million in 1958, although President Skutt was reluctant to forecast the immediate aims. A good many things are planned for the 50th anniversary of the company in 1959, and it is reasonable to assume that one of them will be a premium income goal substantially in excess of \$200 million.

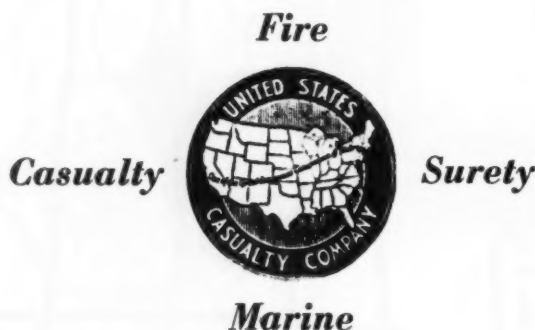
The companies this year are beginning to use their IBM 705, the second largest of its kind in the world. The only larger installation is in the Social Security Administration in Washington. Investigations for using the 705 were begun four years ago, and for many months the companies have been conducting trial runs to get acquainted with the intricacies of the machinery.

The Harris agency covers 22 counties in central Illinois and is staffed by 60 persons. When Mr. Harris began operations 24 years ago he started from scratch, and did \$16,000 worth of business. He is now writing at the rate of \$1½ million, has \$15 million of life insurance in force and has paid more than \$5½ million in benefits in his territory.

The sales meeting was a day of intensive interchange of ideas, opening with a talk on life insurance programming for moderate income families by D. J. Sheetz of the home office life training division, and winding up with a list of quotas for the year as worked out by James Underwood, assistant sales manager of the agency. Other items on the program included a discussion of claims by M. G. Pletscher, agency claim manager; description of group prospecting by Dean Genzlinger of the regional group office; a discussion of conservation by A. L. Aldrich, agency office manager, and Charles Whitworth, assistant office manager;

(CONTINUED ON PAGE 29)

UNITED STATES CASUALTY COMPANY



HOME OFFICE

60 John Street

New York

Serving the Nation's Industry through Agents and Brokers

WORKMEN'S COMPENSATION • LIABILITY • AUTOMOBILE
GROUP ACCIDENT & SICKNESS



ARGONAUT INSURANCE GROUP
HOME OFFICE: MENLO PARK, CALIFORNIA

UJF Filing Time Is Extended to 90 Days in New Jersey

New Jersey's unsatisfied claim and judgment fund law was praised by Alan H. Miller of Hackensack, president of New Jersey Assn. of Insurance Agents, at a special meeting of the executive committee on the amendment signed by Gov. Meyner which extends the time requirement for filing from 30 to 90 days.

One of the weaknesses in the original law was the relatively inadequate period allowed for filing notice of intention to make claim, Mr. Miller said.

W. Lewis Bambrick, manager of the UJF board, reports that in the first 21 months of the operation of the law, 2,375 cases involving 3,282 claims were assigned to insurers for investigation and defense, Mr. Miller said. At the same time, 832 cases involving 1,118 claims were closed, 358 by settlement, and 612 other claims were closed because uninsured made adequate security deposits or investigation disclosed insurance on all vehicles involved in the accidents. A total of 158 claims have been closed by payments of \$157,430 from the fund. At Dec. 1, there were 3,135 open claims with reserves totaling \$3,113,574. Presently claims are running about 350 each month, developing into about 200 claims against the fund.

Lewis Heads IM Claim Unit for Agricultural

Agricultural and Empire State have appointed Robert S. Lewis inland marine claim supervisor. Formerly with a regional adjustment bureau, Mr. Lewis will head the group's newly formed marine loss department.

Three New N. Y. Boards

Mrs. Alma P. Sherman of Schenectady, chairman of the membership and local board committee of New York State Assn. of Insurance Agents, reports the formation of three new local boards, to bring the total to 58. Livingston County association has named Philip J. Sweeney of Livonia

New Chicago Insurance Phone Directory Printed

The 1957 edition of the Chicago Insurance Telephone Directory has been published by the National Underwriter Company.

The new 210-page directory divides the insurance listings between offices in the Insurance Exchange building and other offices in the city. There is a classified section listing a wide number and variety of insurance service organizations and individuals.

The directory lists individuals by their company affiliation, address and telephone number.

It can be obtained from the National Underwriter at 175 West Jackson boulevard, Chicago, for \$1 plus 25 cents for shipping charges.

LLOYDS & REINSURANCE UND. & PRODUCER
—Chicago Brokerage firm. Position involves some travel. Heavy knowledge Lloyds field required. \$9,000.

CASUALTY UND.—All lines including Fidelity. No A & H. Large Chicago Brokerage house. 5 years experience. To age 35. \$6,500.

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as president, F. Benjamin Linfoot of Genesee vice-president and Norman S. Andrews of Mt. Morris secretary-treasurer.

Associated Insurers of Geneva elected S. Danny Chacchia president, Charles H. Sweeney, vice-president, Frederick W. Shepherd secretary and Castner S. Rapalee treasurer.

Ithaca association has been formed with Robert S. Boothroyd as president and J. Guy Torbert secretary-treasurer.

Large Loss in Two N. J. School Fires

The insurance loss resulting from an early January fire which damaged adjoining elementary and high schools in Riverside, N. J., will total less than the \$800,000 estimate of damage. The three-story grade school suffered the greater damage. A fire wall kept the flames from spreading into the high school, but it has been closed due to smoke and water damage. The schools are insured in Potomac.

Charles J. Komaiko has joined Allstate as attorney in the office of the general counsel.

Sherwood Speaks On Blasting At Miami Meeting

A studiously planned education program was the prime answer to the industrial relations problem created by blasting operations, according to Donald B. Sherwood, assistant general manager of National Board.

At the annual meeting of National Crushed Stone Assn. in Miami Mr. Sherwood explained how a lack of communications had resulted in criticism of both the crushed stone industry and insurers in connection with claims for damages purportedly caused by planned blasting.

This lack was pin-pointed some 18 months ago by a sudden rash of subrogation claims for blasting damages which loomed in the midwest. At that time a program of cooperative study was pressed by National Crushed Stone Assn., National Lime Assn., Assn. of General Contractors of America, leading vibration engineers, and others, who teamed with National Board to form a committee to evolve a proper and equitable approach to

claims based on ground vibration resulting from the use of dynamite.

With Warren Rowe, chairman of the association's subrogation committee, Mr. Sherwood discussed the cooperative program and the efforts of the committee which brought about a revision in the approach of fire and casualty companies to blasting claims.

The result was formulation of a new technique for resolving the practical problem of dealing with the perfectly honest insured who had heard the noise of an explosion, for the first time observes plaster and settlement cracks, and who honestly believes he has damage and that recovery should be obtained either from his insurance company or from the blaster. The technique is spelled out in the new instruction book, *For Adjusters—Blasting Claims*, issued by National Board and Assn. of Casualty & Surety Companies.

Clarence Whitehill, president of Whitehill agency of New York, has been elected a director of Sun of New York.

WE FIRED THE VICE-PRESIDENT IN CHARGE OF SAYING NO!

No need for a character like this around our offices for we have . . .

NO PROHIBITED LIST ON AUTOMOTIVE COVERAGE

Now you can write any risk—from under-age sports car operators to over-age motorized wheel chair drivers.

Our list includes:

- Fire & Allied
- Valued U&O
- Inland Marine
- Garage Liability
- Full coverage auto
- Sub-standard auto
- Taxicabs
- Drive and Haul away
- Dealers Open Lot
- Venders Single Interest (including conversion)
- Long Haul Trucks—Butane, Propane, Gasoline
- Retrospective Penalty Premium Cover (for all types of risks)
- BI & PD—primary or excess
- Sports cars including racing hazards

As managing underwriters, backed by \$42,000,000 in assets—\$15,000,000 in US funds, we have FULL authority—can give you faster service and immediate competitive quotations. Payments made from Denver. American Language policy. No direct business.

NOW you can write that surplus or hard-to-place business. Write, phone or mail coupon for complete details.

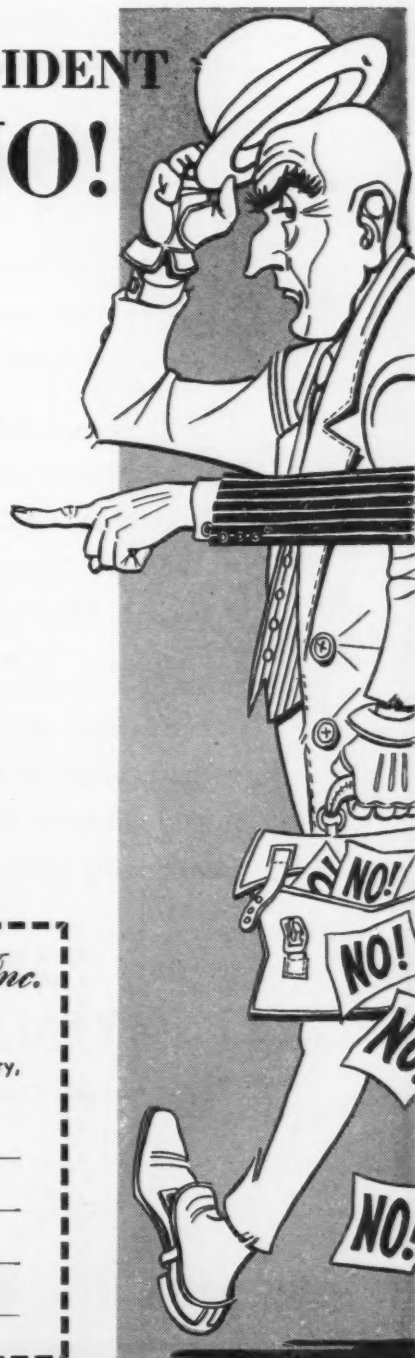


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Rush complete details on how I can write any Primary, Excess or Re-insurance business.

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By _____ Title _____



Continental Casualty Combines Burglary, Fidelity, Glass Units

A new, combined department of fidelity, burglary, forgery and plate glass lines has been set up at the home office of Continental Casualty. Head of production and underwriting for the new division is George P. Braun, who previously directed the burglary and plate glass department.

Mr. Braun has been active in the crime insurance field for more than

two decades, in Chicago and in the east with Continental and National Surety.

Region V Women to Meet

National Assn. of Insurance Women, Region V will hold its regional conference at Minneapolis March 29-31. Clarice Peterson, Region V director, will preside.

Harry Elingwood, special agent of Aetna Fire group in Hartford since 1950, has joined Hilliard Bryant agency there.

Fireman's Fund Names Robertson at Chicago

John L. Robertson has been appointed casualty department assistant manager of the Western department at Chicago for Fireman's Fund. Mr. Robertson has many years of production and managerial experience.

New York Mariners Club heard F. D. Snyder, manager of engineering and service of Westinghouse Electric, discuss automation at the January meeting.

Barker Elected to Higher Post by Kemper

D. B. Barker has been elected resident secretary at Chicago of Lumbermen Mutual Casualty and American Motorists. He is district claim manager in the home office liability claim department.

Mr. Barker joined the Kemper group in 1939 as an adjuster and attorney and was transferred later that year to the Miami claim office. In 1940, he returned to Chicago as an examiner in the home office liability claim department, and in 1954 he was appointed district claim manager.

He is the son of Fred A. Barker, who joined the Kemper organization in 1913 and was the first head of the Kemper safety engineering department until he went into sales work for the companies in 1915, retiring in 1949. He now is representing the companies as an agent in Chicago.

Md. Gets Compulsory Bill, Congress Urged to Study Problem

A compulsory auto bill has been introduced in the Maryland senate. It has the support of the governor but its opposed by agents and others, who favor an unsatisfied judgement plan.

At Washington, the subcommittee on traffic safety of the interstate and foreign commerce committee, in its report to the House recommends further study of more adequate financial responsibility laws. "The public has a right to protection against the financially irresponsible driver," the report states.

Fanckboner Retires After 40 Years in Insurance

Harry A. Fanckboner of the Chicago engineering department of Marsh & McLennan has retired after 40 years in rating and insurance engineering work.

Mr. Fanckboner joined Michigan Inspection Bureau in 1912, and was with that organization for five years. After service in the first war he was with Oil Association for a short time and then went with Western Actuarial Bureau, and then for five years was with Indiana Inspection Bureau, most of the time as branch manager at Terre Haute. He joined the engineering staff of Marsh & McLennan in 1926.

Pacific Employers to Continue Consumer Ads

Pacific Employers is continuing in 1957 the national newspaper advertising campaign it began last year. The series is designed to make buyers aware of the advantages of doing business with independent agents and brokers.

The illustrated advertisements appear every Tuesday in financial and business sections of 26 metropolitan daily newspapers throughout the country in cities where Pacific Employers has branch offices.

Mass. Bonding on Cal. Bond

LOS ANGELES—Ben C. Gerwick Inc. of Long Beach, Cal., has been granted a contract for construction of the concrete pier and an addition to the boilerhouse at Long Beach Naval Station by the navy bureau of public works at a price of \$1,088,000. Massachusetts Bonding is surety.

New Hampshire has approved annual installment premium payments of dwelling package policies written for a term. This is effective Dec. 3, the effective date of multiple peril forms in the state.

ANNUAL STATEMENTS

This is the season for companies to publicize their financial statements. Insurance companies are uniquely different from most other corporations in that they have no backlog of orders; inventories of unsold products; raw materials and parts to be assembled; shipping, transportation, warehousing, labor or even credit problems.

Instead they have and are selling money that provides protection, peace of mind and assurance against disaster. They are thus the stabilizers of the economy of the country.

So it is important to know about the assets, surplus, reserves and liabilities of every company; to observe whether it is writing enough or too much business and at what percent of profit or loss.

The annual statement figures tell the story. No embellishment is needed. They reveal the corporate structure in a completely factual way.

We believe that every company which has a strong and impressive financial statement of its December 31, 1956, figures should advertise it at this time of the year when such displays are receiving special, seasonal attention.

The NATIONAL UNDERWRITER

Largest Circulation of Any Weekly Insurance Newspaper



Smythe Reelected Chairman of Self-Insurers

C. F. Smythe of New York Telephone Co., chairman, and other officers were reelected by Self-Insurers Assn. at the annual meeting in New York. Decisions in 1956 concerning the New York workmen's compensation law were reviewed. In his annual report, Secretary James J. Regan predicted the third party liability bill in New York, vetoed on the strength of a New York State Bar Assn. memorandum, will be introduced this year and stands a good chance of becoming law.

The 1956 bill would eliminate liability over by an employer to a third party sued by an employee entitled to workmen's compensation from the employer except where the employer and the third party had entered into an express contract covering such liability.

Mr. Regan reported that if the bill is reintroduced and passed again, it is now quite likely that it will be signed by the governor.

Mr. Regan's report also deplored the fact that during 1956 only one legislative hearing was held on the problem of loss of hearing in the state, that it produced no tangible result, and that another year had passed without progress in this field.

The meeting had the largest attendance recorded in the history of the association. Members of the board of managers for the next year are Mr. Smythe, E. R. Alden of Socony-Vacuum, F. R. Barnako of Bethlehem Steel, H. D. Bierau of Alco Products, T. J. Carney of Eastman Kodak, C. E. Carothers of Ford Motor, Solton Engel of Consolidated Edison, A. Heyert of Wilson & Co., R. H. Hubbard Jr. of General Electric, F. H. Humphreys of ACF Industries, J. V. Lione of Railway Express Agency, N. A. Madigan of General Mills, M. N. Ray of New York Central, M. L. Robb of Westinghouse Electric, and H. A. Swartwood of Endicott Johnson. Sherpick, Regan & Davis is counsel for the association. Mr. Regan is a member of this firm.

Gallagher's Duties at Philco Are Expanded

Russell B. Gallagher, head of Philco's insurance department since he joined the company in 1944, has been named to the newly created post of manager for insurance and real estate. His enlarged duties will include responsibility for all financial and commercial aspects of the purchase, sale, leasing and subletting of real estate, in addition to the corporate insurance program.

Standard Accident Names Four

Standard Accident and Planet have transferred Dean O. Lundahl, supervising safety engineer at Detroit to the home office as supervising safety en-

gineer. He will be succeeded by Frank R. Dwyer, formerly supervising safety engineer at Minneapolis.

Robert P. Russell, safety engineer at Kansas City, has been made supervising safety engineer at Minneapolis, and Robert Adams has joined the companies as safety engineer in Kansas City.

Kemper Names Manson Manager

E. L. Manson Jr. has been appointed office and personnel manager for Kemper companies' fire division in Chicago. He is joining the Kemper organization from Gerstenberg & Co., where he has been office manager since 1951.

Phoenix of Hartford Appoints Eklund Asst. PR Director

John R. Eklund has been named assistant director of public relations for Phoenix of Hartford. He joined the group in 1951. He is secretary of Connecticut Industrial Editors Assn., and a member of Insurance Advertising Conference and Advertising Club of Hartford.

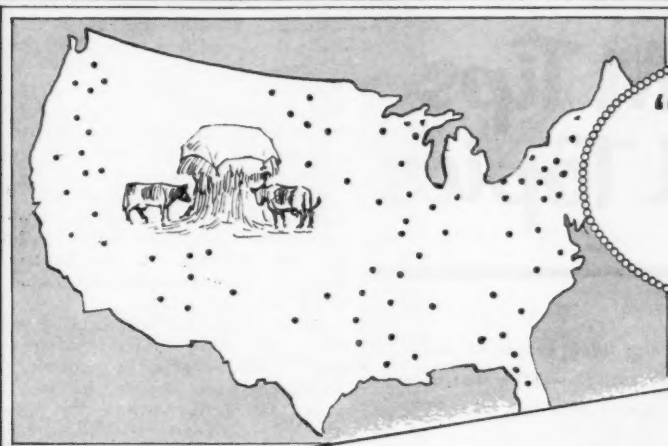
American Mutual Liability has appointed Walter P. Crosswell branch

sales manager of the Greensoor, N.C. office. He formerly was sales manager in Shreveport, and in the sales department at Jackson, Miss.

Argonaut Promotes Two

Argonaut has named Richard T. Lynch northern division production manager and Wallace Benson executive special agent at San Francisco.

Both Mr. Lynch and Mr. Benson joined Argonaut in 1951. Mr. Lynch recently has been special agent for San Francisco and the north coast territory, and was underwriting department manager before that.



"Ag-Empire" Agents
are not just dots
on a map..

field memo

AG-EMPIRE
Watertown, N.Y.

Dear Folks,

Ag Agent Jeannette McMahon, Valentine, Neb., likes the way we treat our agents.

"With Ag-Empire, you're an individual - not just a dot on the map," writes Jeannette. "We agents in the Farm Belt have different problems than city agents. We sometimes require a variation in the basic Insurance Contracts to meet the needs of our clients. Thus, 'Ag-Empire' wisely has flexible rules - and relies on the experienced recommendations of the 'Ag-Empire' Field Man in the area.

"Not long ago the 'Ag-Empire' man helped us solve a problem that involved 'Wild' Hay Insurance for a client. The details aren't important - but I'll always be indebted to the Home Office folks for their decision, which stated: 'If the 'Ag-Empire' man says there is a need to insure a stack of 'wild' hay - then there is a need!'

"How can you go wrong with a company like 'Ag-Empire'?"

The "Ag-Empire" Man



AD AWARD WINNER
Ag-Empire Agents' Ad-Idea
Contest Based on a
true story by Jeannette McMahon,
Valentine Insurance Agency
Valentine, Neb.

MERGER ACTION

Informed counsel on insurance merger opportunities and procedure arrangements, in all lines of coverage—write in confidence.

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P.S.

Like to learn more about the friendly "Ag-Empire" way? We're easy to write to.

Our thanks to Jeannette McMahon and all the folks at the Valentine Insurance Agency for their high opinion of "Ag-Empire."

Agricultural
Insurance Company
of Watertown, N.Y.

Friendly
Folks

Empire State
Insurance Company
of Watertown, N.Y.

N. C. to Get Auto Compulsory Bill, Gold Considers FPC

Rep. Jones of Pitt county, N. C., has announced that he will introduce a compulsory auto bill in the legislature which meets Feb. 6. He is one of the more influential members of the assembly and was a leading proponent two years ago of changes made in the state's A&S laws.

He claims to have the backing of civic and fraternal organizations for

his bill, which will be along the same lines as New York's law and similar measures being offered in other states. However, observers have been unable to detect any real sentiment for compulsory in North Carolina, though Mr. Jones' support of the bill assures there will be a strong fight in the legislature.

Before the Jones announcement, the insurance business had moved to blunt the arguments of supporters of compulsory legislation by introducing the family protection policy. Commissioner Gold held a public hearing Jan. 9

on the policy, which was filed by North Carolina Automobile Rate Administrative Office.

There was no opposition from approximately 25 company men and agents who attended the hearing, and Richard S. Brantley, executive secretary of North Carolina Assn. of Insurance Agents, urged the commissioner to approve the policy. The proposed rate in North Carolina is \$5 for the basic limits coverage of 5/10.

William F. Laughlin, general manager of the rate office, explained the policy. James McWilliams of New York, assistant manager of the auto division of National Bureau of Casualty Underwriters, and J. P. Faude, counsel of Aetna Casualty, made themselves available for questions. The commissioner exhibited particular interest in the procedure to be followed by insured for collecting a claim.

Arch T. Allen of Raleigh and Wallace Smith of Washington, lawyers, represented American Mutual Alliance at the hearing. R. L. Savage of Raleigh, superintendent of claims for U.S.F.&G., also sat in.

At the end, Mr. Gold said he would take the filing under consideration and decide as soon as possible. The proponents are hopeful he will approve the policy before the general assembly convenes. His questions indicated there is no certainty the new endorsement will be approved.

Durham Exchange Elects

Thomas B. Cranford has been elected president of Durham Insurance Exchange. He succeeds George Eaves. Other officers are Mrs. R. M. Tucker vice-president, and Dan P. Miller secretary-treasurer.

Expect 700 to Attend June 10-13 Convention of Insurance Women

More than 700 are expected to attend the annual convention of National Association of Insurance Women at Hotel Sheraton in Philadelphia June 10-13.

The national president, Miss Betty B. Hirst, Seibels, Bruce & Co., Columbia, S. C., will preside. Women's Insurance Society of Philadelphia will act as host. Miss Elenor Ann Smyth, Hartford Fire, is convention chairman. In addition to regular business meetings and elections, the convention will feature workshops dealing with insurance educational programs and items of interest to insurance women. A post-convention tour of Philadelphia, Atlantic City and New York is scheduled.

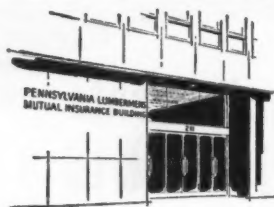
C. E. Chaney Elected by Cleveland Managers

Charles E. Chaney, Home Indemnity, was elected president of Cleveland Casualty & Surety Managers Assn. L. E. Fox, Hartford Accident, and Paul Border, U.S.F.&G., were named vice-presidents, and Thomas P. Molloy, Home Indemnity, was elected secretary-treasurer.

Chosen for the executive committee were V. H. Olson, New Amsterdam Casualty, and L. F. Brock of Fidelity & Casualty.

S. Burns Weston, insurance attorney, was the speaker at the meeting.

Employers Mutuals of Wausau have appointed Robert W. Gunderson advertising manager to succeed Daniel H. Storey, retired, who will continue to act in an advisory capacity.



PLM Tips and Topics

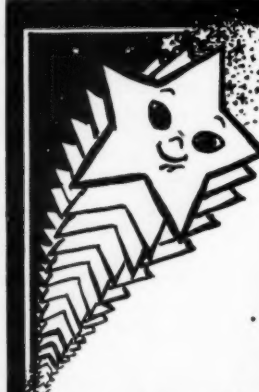
- Insurance is not a staple. It is a specialty item. People do not actively want insurance in the sense that they want a loaf of bread or an automobile. They must be shown that they *need* it.
- According to one expert on the technique of salesmanship, there are 4 steps to bear in mind: 1. Attention-bringing. 2. Arousing interest. 3. Inducing desire. 4. Effecting decision.
- PLM has just brought out a highly informative folder for your use on the service of the Local Agent. It has a strikingly new form. Why not send for a sample copy. No obligation, of course.
- Someone has said that *feeling* accounts for 85% of all the factors involved in purchasing *anything*; in other words, *emotional* considerations. A good point to remember—and make use of.
- Do you like people? Do you minimize their faults and magnify their virtues? Then you're in the right business. For then people will like *you*, and they tend to buy from those they like.
- Hold the phone! Remember, you can *double your day* by using the phone to arrange appointments, explain coverages, check on renewals.
- "Sorry, too busy to see you tomorrow." In that case, you'll be wise to propose another *specific* time—and be as persistent as necessary until a definite appointment is made.

PLM OFFERS YOU:

COMPLETE COVERAGE of fire and allied lines, including these currently most-wanted coverages—the popular money-saving Homeowners, Inland Marine, and Extended Coverage. Why not get in touch with us *now* about representation—while you think of it. It could turn out to be one of the most profitable contacts you ever made.

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Why don't you join the growing list of insurance agents writing Alabama General policies. Alabama General Insurance Company of Montgomery now is licensed in Alabama, Louisiana and Florida—and we're still growing.

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Swett and Crawford Retire, Sell General Agency to Employees

William B. Swett and Charles H. Crawford, founders and principal owners of the prosperous Swett & Crawford managing general agency of San Francisco and Los Angeles, with nationwide operations, have announced their retirement and the turning over of the ownership to a group of employees.

Messrs. Swett & Crawford are turning over their interests to 160 staff employees through a stock acquirement plan. They have resigned as president and vice-president, respectively, of the organization. Mr. Swett has also been general manager of the firm since its inception more than 40 years ago.

In the new set-up John H. Archer, Los Angeles, is president; C. T. Zinn and John J. Haster, San Francisco, and B. G. Drummond and John C. Spencer, Los Angeles, are vice-presidents. Thomas C. Crawford, Los Angeles, is secretary; C. L. Martin, Los Angeles, treasurer and assistant secretary; T. J. Parker, San Francisco, assistant secretary and assistant treasurer; Mrs. Stella F. Birk, Los Angeles, assistant secretary, and Felix J. Burnett, New Orleans, resident assistant secretary.

Mr. Archer will have over-all supervision and will continue management of the southern division with offices in Los Angeles, Arizona, the southwest and east. Mr. Zinn will manage northern California, the Pacific Northwest and British Columbia.

Mr. Archer joined the organization in 1943 after first entering the business in 1934 with Trinity Universal.

Mr. Zinn joined the general agency in 1930 and served in office and field capacities including several years as manager at Portland, Ore., and, until this change, was assistant manager and head of casualty operations at San Francisco.

John Haster, with Swett & Crawford

National Underwriter Buys New England Insurance Directory

The National Underwriter Company announced this week the purchase of the Standard Insurance Directory of New England, which for 80 years has been published by Standard Publishing Co. of Boston.

Acquisition of the New England Directory brings to 35 states (and the District of Columbia) the number for which The National Underwriter Company publishes hand-books.

The 1956 edition of the New England Directory has just been issued by Standard Publishing Co., and Standard Publishing will sell and distribute that edition. Succeeding issues will be published by The National Underwriter Company.

Standard Publishing Co. will continue to publish *The Standard*, the weekly magazine of New England insurance.

ford 33 years, had previously been with North America, Johnson & Higgins and America Fore. He has been, and will continue, in charge of fire operations out of the San Francisco office.

Mr. Drummond has been with S.&C. 27 years, and was prior to that with Ocean Accident. He has served all the usual capacities from underwriter to underwriting manager.

Mr. Spencer has been with the organization 22 years, 20 as manager of Lloyd's department in Los Angeles. Prior to that he had been with Sedgwick & Collins at Lloyd's.

Messrs. Swett & Crawford, shortly after they organized the general agency, also organized Security of Los Angeles as an automobile specialty company. Later they "threw in" the company with another group to organize Pacific Indemnity—and the firm has been underwriting managers for that company ever since.

YOU are the right man!

FOR QUALITY PROPERTY INSURANCE SEE YOUR HOMETOWN AGENT!

there's one right way to buy auto insurance



There's a right and a wrong way to buy automobile insurance—or any other kind of property insurance. It's better, safer, and cheaper to know in advance... before you have had an accident... that you have good insurance, solid protection. One sure way to get the most for your money, is to see your Home Insurance agent or broker. He is your expert.

The Home Insurance Company provides quality automobile insurance—sold only through qualified independent agents and brokers. There's one near you. See him today.

THE HOME
Insurance Company

ORGANIZED 1853

Home Office: 59 Maiden Lane, New York N. Y.
FIRE • AUTOMOBILE • MARINE
The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

This Home Insurance Company advertisement does more than stress the importance to car owners of the right insurance...

It emphasizes equally that to get the best protection, they must see the right man.

This ad tells them that the right man is YOU. It tells them why. It can direct good automobile business to your agency—if you cooperate.

Another expert—ready to assist your agency in any way he can—is your Home fieldman. Just call on him.

KEYED-UP SERVICE



... LOCKED-IN STABILITY!

YOUR KEY TO A GREATER VOLUME OF SALES!

COMMERCIAL STANDARD INSURANCE COMPANY
FORT WORTH, TEXAS

★★★ RAYMOND E. BUCK, CHAIRMAN OF THE BOARD ★★★



Holland-America Offers You a Policy to **OPEN NEW DOORS**

Now you can get the interest of the medical practitioner in your area by offering the new medical malpractice policy of Holland-America. This Professional Comprehensive Liability policy can be offered to M.D.s, dentists, osteopaths, nurses, chiropractors—even physiotherapists, X-ray technicians and veterinarians. Furthermore, it includes both professional liability and personal liability (dwelling and office) in one comprehensive combination policy, with a single limit of liability.

Here are some of the outstanding features:

- Complete third person liability (except automobile) in one policy.
- A single limit of liability for bodily injury and/or property damage.
- Comprehensive office liability.
- One rate, one premium, with options to renew up to three years.

The liberal benefits and provisions can help you open new doors among the doctors and dentists you know. With optional single limits from \$25,000 to \$300,000 coverage, you can provide simple, worry-free liability coverage for these busy professional men. Agency appointments are now being made in states where the Holland-America Insurance Company is licensed.

WRITE FOR SAMPLE POLICY

May we send you without obligation a sample policy and available literature? Just a note on your letterhead will bring a reply by return mail.



Holland-America
INSURANCE COMPANY

1013 CENTRAL • KANSAS CITY 5, MISSOURI • PHONE BALTIMORE 1-3216

Convention Dates

- Feb. 4, Insurance Economics Society of America, midyear, Drake hotel, Chicago.
- Feb. 13, Oil Insurance Assn., annual, 175 W. Jackson Blvd., Chicago.
- Feb. 20-22, Michigan Assn. of Insurance Agents, midyear, Statler hotel, Detroit.
- Mar. 1-2, Tri-State Mutual Agents Assn., annual, Penn Harris hotel, Harrisburg, Pa.
- Mar. 4-5, New Jersey Assn. of Insurance Agents, midyear, Berkeley-Cartaret hotel, Asbury Park.
- Mar. 6-7, Fire Underwriters Assn. of the Pacific, annual, Sheraton-Palace hotel, San Francisco.
- Mar. 7-9, National Assn. of Surety Bond Producers, annual, Mayflower hotel, Washington, D. C.
- Mar. 10-14, National Assn. of Mutual Insurance Agents, midyear, Jung hotel, New Orleans.
- Mar. 17-19, Eastern Agents Conference of NAIA, Statler hotel, Washington, D. C.
- Mar. 20, American Marine Hull Insurance Syndicate, annual, Board room, 99 John street, New York City.
- March 24-27, Southern Agents Conference, Jung hotel, New Orleans.
- March 24-26, Midwest Agents Conference of NAIA, French Lick-Sheraton hotel, French Lick Springs, Ind.
- Mar. 25, Rhode Island Assn. of Insurance Agents, mid-year, Sheraton-Biltmore hotel, Providence.
- Apr. 3-4, National Assn. of Independent Insurers, workshop, Mark Hopkins hotel, San Francisco.
- April 4-5, National Assn. of Casualty & Surety Agents, directors semi-annual, Ambassador hotel, Chicago.
- April 7-9, Mutual Agents Assn. of New York, annual, Syracuse hotel, Syracuse.
- April 11-12, Ohio Assn. of Mutual Insurance Agents, annual, Neil House hotel, Columbus.
- April 15-17, Iowa Assn. of Insurance Agents, annual, Savary hotel, Des Moines.
- April 23-May 1, Chamber of Commerce, insurance department, annual, Washington, D. C.
- April 28-May 1, Colorado Insurers Assn., annual, Cosmopolitan hotel, Denver.
- April 28-May 1, Rocky Mountain Territorial Conference of NAIA, annual, Cosmopolitan hotel, Denver.
- May 1-5, National Assn. of Public Insurance Adjusters, annual, Saxony hotel, Miami Beach.
- May 2, Midwestern Independent Statistical Service, annual, La Salle hotel, Chicago.
- May 2-4, Louisiana Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.
- May 2-4, North Carolina Assn. of Insurance Agents, annual, Carolina hotel, Pinehurst.
- May 5-7, Alabama Assn. of Insurance Agents, annual, Battlehouse, Mobile.
- May 5-7, New York State Assn. of Insurance Agents, annual, Syracuse hotel, Syracuse.
- May 6-8, National Assn. of Independent Insurance Adjusters, annual, El Mirador hotel, Palm Springs, Cal.
- May 7, Assn. of Casualty & Surety Companies, annual, Waldorf-Astoria hotel, New York City.
- May 9, Surety Assn. of America, annual, Sheraton-Astor hotel, New York City.
- May 10-11, Oklahoma Assn. of Insurance Agents, annual, Biltmore hotel, Oklahoma City.
- May 16-17, Arkansas Assn. of Insurance Agents, annual, Arlington hotel, Hot Springs.
- May 17-18, Texas Assn. of Insurance Agents, annual, Statler-Hilton hotel, Dallas.
- May 20, Vermont Assn. of Insurance Agents, midyear, Woodstock Inn, Woodstock.
- May 20-22, Georgia Assn. of Insurance Agents, annual, Bon Air hotel, Augusta.
- May 20-22, Insurance Accounting & Statistical Assn., annual, Palmer House, Chicago.
- May 20-24, National Fire Protection Assn., annual, Statler hotel, Los Angeles.
- May 21, Society of Fire Protection Engineers, annual, Statler hotel, Los Angeles.
- May 22, National Automobile Underwriters Assn., annual, Roosevelt hotel, New York City.
- May 23, National Board of Fire Underwriters, annual, Commodore hotel, New York City.
- May 23-24, Casualty Actuarial Society, spring meeting, French Lick-Sheraton hotel, French Lick, Ind.
- May 23-25, Florida Assn. of Insurance Agents, annual, Fontainebleau hotel, Miami Beach.
- May 26-29, American Assn. of Managing General Agents, annual, Fontainebleau hotel, Miami Beach.
- May 26-30, Insurance Division of Special Libraries Assn., Statler hotel, Boston.
- May 27-29, American Mutual Insurance Alliance, annual, Edgewater Beach hotel, Chicago.
- May 27-29, Federation of Mutual Fire Insurance Companies, annual, Edgewater Beach hotel, Chicago.
- May 27-29, National Assn. of Automotive Mutual Insurance Companies, annual, Edgewater Beach hotel, Chicago.
- May 27-29, National Assn. of Mutual Casualty Companies, annual, Edgewater Beach hotel, Chicago.

"May I Have A Word With You?"

There's something new in the mill at Buckeye Union. We have decided to hold a one-day alumni meeting for the graduates of our Agent's School.



MR. JONES

Many grads have asked to return to the school for the full session. We can't let them do that—we have too many requests for each new session as it is. So we came up with this idea of a one-day, fast-moving, alumni session.

There will be a total of seven classes, three in the morning and four in the afternoon. Our top men will instruct these classes—Executive Vice President John A. Dodd, of our Fire Company; Vice President Donald R. Haverick, of our Casualty Company; and Agency Superintendent S. W. Schellenger, of the Sales Promotion Department.

Fundamentals will be discarded during the sessions. Emphasis will be placed on new package policies, multiple peril contracts and the latest merchandising methods.

A banquet will close the all-day meeting. This will be the fun-making session. Graduates of each class will be seated together, and old friendships will be renewed.

This alumni meeting is just another example of how we at Buckeye Union do our best to help our agents be the best-informed in the business. There are several different means we use to further this long-range educational program—our monthly agency publication, a special reference manual, rate charts, semi-annual agent's school, and other special mailings and publications.

We believe our agents will help us if we help them. They do and we do. We have the most loyal group of agents in the country.

Why not have one of our field-men stop in soon, and explain to you why so many agents represent Buckeye Union? And why they're glad they do represent our companies.

We are currently operating in Ohio, Pennsylvania, West Virginia, Michigan, Indiana and Kentucky. Contact our branch office nearest you or our agency superintendent in the Home Office.

F. E. Jones
PRESIDENT

**BUCKEYE UNION
INSURANCE COMPANIES**
Fire—Casualty
Columbus 16, Ohio

COMMENTS

TRENDS

OBSERVATIONS

A Look at the 1957 Employment Situation

By GUY FERGASON
Ferguson Personnel, Chicago

As we look into 1957 and try to read the signs, they all seem to point to the



Guy Ferguson

continued tight employment market for white collar and professional workers. Anyone who is foolish enough to make forecasts always has sufficient native intelligence to leave a few cracks through which he may later crawl, if necessary.

The growth in demand for white collar workers has exceeded all expectations during the past decade or so. There appears to be nothing in the foreseeable future to change that demand.

Our population growth is in the form of babies and immigrants, neither group being capable of entering the white collar labor pool, at least at present. Yet this same growth feeds our economic furnace and creates demands for goods and services which industry and business, both new and old, must satisfy.

These business houses require personnel to handle the expanding load. Assuming no economic reverses, and in this respect we must accept the predictions of the professional economists, the spiral continues, accelerated by inflationary pressures.

White collar wages are under pressure from three areas. One pressure arises from the demands from various businesses and the insurance business will not be an exception, nor will it be free from the rising costs. Another pressure comes from the increasing wage spiral of the blue collar group. The year 1957 has already witnessed or soon will witness wage increases resulting from previous contract negotiations (principally 1956) in which automatic wage adjustments were built into the contracts. Some segments of labor groups have announced their 1957 targets which include substantial upward wage adjustments and broadening of fringe benefits.

The third area of salary pressure is in the increasing cost-of-living. Again we refer to labor contracts, some of which have escalator clauses as well as "productivity increases." We all know that inflation is a losing game, but while it goes on it appears to offer tranquilizing results to jaded business nerves. The insurance business is particularly vulnerable to the effects of inflation—a greater share of the wage dollar is siphoned off to meet increased costs of food, clothing, rent, etc., leaving less for insurance savings and protection, and thereby giving the social theorists more ammunition for government insurance. Insurance companies have fixed rate contracts which makes it rough in a rising cost market because revenue cannot be readily or proportionately increased.

The increasing salary factor will make it difficult for companies which cannot or will not match the salary market for new recruits and experienced personnel.

We suggest that companies check their employment specifications. We suspect that many companies are still employing under standards that were established many years ago. We have seen instances where companies established specifications far above the needs of specific jobs. Employers can understand the need for establishing realistic specifications for materials and commodities. They would not use a high grade expensive bond paper for scratch pads. Yet these same companies will seek college graduates, experienced personnel, with full physical components for positions which could tolerate lesser qualifications.

An applicant's qualifications found in varying degrees in (1) education, (2) experience, (3) appearance, (4) personality, (5) physical fitness and (6) other personal qualifications, carry a rate which increases as the quality increases. When ten companies bid for the same qualifications and there are only eight applicants, the inevitable result is "higher price."

The time has arrived when we should realistically view the employment situation. If we need management personnel—train the personnel. This, of course, requires time, and training requirements must be anticipated before the need arises. The decision to train must be made sometime and no better time will ever exist than at present.

If we need experienced personnel—train the personnel. As specifications of employment go down, training requirements increase. However, an industry or business that "grows" its own specialists is a good industry to be in.

It is our opinion, and it has been our opinion all through the personnel shortage, that the shortage only exists in terms of today's methods. To state this another way, if we were to cut out all non-essential record keeping, and if we would simplify our office procedures and streamline our methods, we

would not have a personnel shortage.

"Automation" as such is not the answer for two reasons. In the first place, it will be years before it (automation) will have its effect on employment—as it is being used today, it is being channeled into areas where voluminous details are processed, the bulk of which are of questionable value in the first place. Automation will not be of much value to small offices which are staffed by two or three employees.

In the second place, we are not sure that automation will reduce the need for office personnel. It will change the "classification" of personnel into two groups—a large group of extremely detailed workers who will convert figures and data to tape, card or other input medium. The other group will be the "experts" who will program the data and run the machines. When the score is read and the results are measured, we will probably have more office detail and as many workers as at present.

We believe the answer lies in work simplification—a program in which

management decides to ignore traditional methods, precedents and industry's "sacred cows," and cut through the mass of office detail. Management complains that it is being submerged in detail; yet it is seeking easier ways to perpetuate even more detail. "Simplify, mechanize, combine and eliminate" should be the battle cry for 1957.

Instead of a sign reading, "Think," every manager should have a sign in each office reading, "Why?" Why do we make x number of copies? Why do we file this form or that? Why do we type so many reports and statements?

Lastly, what are we doing to retain the employees that we have? Let us effectively evaluate our employees and relate the rewards to the individual's contribution. Train for upgrading and, in general, do a better management job. If we do, the employment market will not present such a problem as it presently does.

Training takes time. This was pleasantly told in a short story in *Reader's Digest* January issue, about James A. Garfield, when he was president of

(CONTINUED ON PAGE 22)

"Sue Happy" Making Insurers Pay Piper

Are Americans sue happy? Morton M. Hunt, past president of Society of Magazine Writers, says yes, and points out that insurance companies are taking it on the nose because they are.

In "Damage Suits: A Primrose Path to Immorality," in the January issue of *Harper's Magazine*, Mr. Hunt writes that "the gross value of personal injury claims paid by insurance companies has multiplied six fold in 20 years." Many of these claims have been based on automobile accidents, but the number of auto injuries has not appreciably risen during the past two decades. He writes: "There are more auto injury suits in court today—not because there are more injuries, but because there is widespread insurance, and suing has become feasible and attractive."

Mr. Hunt states that "we live in a time when the damage suit—in particular the lawsuit for personal injuries—has become a national pastime." A suit for damages for personal injuries

sustained in an automobile accident almost always involves an insurance company.

"Undoubtedly," Mr. Hunt asserts, "more injured people are rightfully getting fair compensation as part of this process." But he says it may be more important that an increasing number of inflated and opportunistic claims are also being made, and succeeding. "A considerable number of plaintiffs, lawyers, and jurors have come to feel that the defendant's ability to pay is the main point at issue." When it comes to insurance companies, ability to pay is unquestioned.

"Juries," Mr. Hunt charges, "if they know there is insurance money available—cannot be relied upon to judge fairly the merits of a given case. So true is this that, in all but two states, lawyers are forbidden to tell the jury that insurance exists, and even inadvertent exposure of that fact is liable to cause a mistrial."

This protection of the companies is being challenged, however. Interested in gaining greater awards, National Assn. of Compensation Claimants' Attorneys is on record as "wanting juries to be told when insurance exists, and even for giving plaintiffs the right to sue the insurance company directly," Mr. Hunt explains.

In the insurance kettle all of this boils down to an adverse trend. "Perhaps we will stop asking who was at fault in any accident," Mr. Hunt writes, "and be content to force homeowners, car-owners, landholders, and businessmen to pay up, so that none who get hurt may be uncompensated."

In the meantime, he concludes, "Whatever the merits of taking care of all the injured, it seems to me a poisonous and corrosive practice for this to be handled in the courts of justice, and called by the name of justice."

Nearing its April completion date, the new Fireman's Fund home office and Pacific department headquarters is already adding a new shape to the San Francisco skyline. Interior finishing is scheduled to start this month, and landscaping has already begun. The \$4 million steel and concrete building has a number of structural and architectural innovations which are possible because of the building's residential locale and low-level design.



GENERAL AGENT OPPORTUNITY

CAN YOU PROSPECT?

Do your prospects come directly from your own effort, ability and imagination and not from office leads, your supervisor, your manager?

Can you show others "how to"?

CAN YOU TELL A CONVINCING SALES STORY?

If you're doing well right now with what you've got, you'll do better with our proven competitive merchandising plans featuring dismemberment—lifetime income—top value income settlement option—and the premium payment plan of the future, Check-O-Matic.

Can you inspire and show others "how to"?

CAN YOU COMPETE?

Do you enjoy competing with others? More important, do you compete with yourself?

Can you instill this spirit in others?

DO YOU REALLY WANT TO EARN MORE MONEY?

Do you want to earn top present and future dollars for your own personal "know how" and for your ability to show others "how to"?

HERE'S YOUR ANSWER!

Highest lifetime service fee in the business to adequately compensate the career underwriter—fully vested renewals for 9 years—top 1st year commission on par and non-par policies—agency office allowance—non-contributory pension plan—operating capital for new agents.

Write, Wire, Phone
FREDERICK E. JONES, President
HOWARD W. KRAFT, Vice President
and Director of Agencies

THE OHIO STATE LIFE
Insurance Company
COLUMBUS 15, OHIO

Licensed in: Calif., D. C., Ill., Ind., Iowa, Ky., Md., Mich., Minn., Mo., N. Car., Ohio, Pa., Texas, Va., and W. Va.

Unveil Details of National Board Ad Program

(CONTINUED FROM PAGE 1)

the agents fail to cooperate, it will be a "long, long time" before the companies ever again will engage in such a program, he said, but if it turns out well it might be expanded and continued on a larger scale. It could bring in the casualty companies as well.

E. J. Dirksen, executive manager of the Illinois agents, made the key point that in many communities nobody hearing or seeing the National Board ads will know who the local independent agent is unless the local independent agent himself makes that identification through his own advertising.

The Chicago meeting was the first in a series which is being carried on this week and next in San Francisco, Atlanta, New York and San Antonio. At Chicago, it was designed to have the National Board people appear for about two hours in the morning and conclude the affair with a luncheon, but weather interfered with the train schedules from New York and this program was reversed.

Western Underwriters Assn. was the host in Chicago, and manager E. H. Born introduced the speakers. Mr. Westervelt said he thinks the program will be effective. It represents a meeting of the minds on developing for the first time in National Board advertising the idea of selling insurance instead of taking a strictly institutional approach. The campaign will constantly repeat the themes of stock company insurance, the agency system, and the need to buy insurance, and will use in all of its phases the slogan: "Remember if you're not fully insured—it's not enough."

He stressed, as did all the speakers, that the principal advantage is to come from the activities of agents themselves, who will benefit from the campaign by having an excellent atmosphere in which to get business. This is not a "pick-up" campaign, he observed, but one evaluated carefully. It is full of potential. The radio and television announcements will prepare the way for sales at the local level. By themselves, the announcements will not sell insurance, but they will condition the public.

David Gibson, whose agency is handling the campaign, described how the campaign will be conducted, and after

his talk handed out a fact sheet, printed versions of which will be sent to all state associations shortly.

He said the board will use 116 radio stations and television in 10 cities. The message will reach 85 to 90% of the radio users and about 43% of TV users, the latter in the major markets of New York, Los Angeles, Chicago, Philadelphia, Detroit, San Francisco, Boston, Pittsburgh, St. Louis and Washington.

Spot announcements are being used because the amount of money available enables a greater frequency and a better repetition of the message than a regular weekly show. On radio there will be 15 spot announcements weekly and on TV three spot announcements weekly over a period of 13 weeks. Radio will be used between 7 and 8 a.m., noon and 1 p.m., and 5 and 7 p.m.; and television will be used between 7 and 11 p.m., which is considered "prime time," the period during which there are more listeners per dollar. Only the three top networks will be employed.

The spot announcements will be 20 seconds long—in the interest of economy and for getting better availability.

The radio and television stations used will cover practically all of the United States. Mr. Gibson noted that the campaign will cost nearly \$1 million.

In order to tie-in with the national campaign, Mr. Gibson said, there will be available to agents films of the television spot announcements which can be used on local television stations in those areas where the TV program is not to be employed. These will cost a maximum of \$5 and will include shipping charges. They will be available from the National Board.

Radio records of the national spot announcements also will be available at a cost of 50 or 75 cents. They will contain about six of the scripts, and after these announcements it is possible for the agent to buy additional time during which the announcer will particularize the retailer of insurance by agency or local board affiliation.

Leaflets to be used as direct mail also will be prepared and available at the National Board.

The board magazine advertising in (CONTINUED ON NEXT PAGE)



There's a world of experience goes into the writing of Unusual lines of Insurance.

GENERAL LIABILITY

WORKMENS COMPENSATION

FINANCIAL RESPONSIBILITY

HARD TO PLACE RISKS

TAXICABS

TRUCKS - BUSES

NON-STANDARD AUTOS

SURPLUS LINES

KURT HITKE & COMPANY, INC.

General Insurance Agents

HOME OFFICE

175 W. Jackson Boulevard

Chicago 4, Illinois

Phone WAbash 2-3622

WITH ADDITIONAL OFFICES IN

1401 Peachtree St., N.E.
ATLANTA, Ga.
TRinity 4-1635

601 Munsey Bldg.
BALTIMORE 2, MD.
MULberry 5-2504

P. O. Box 8046
DALLAS 5, TEXAS
LAKeside 6-8683

905 Central Bank Bldg.
DENVER 2, COLO.
AMherst 6-0243

1535 Wilshire Blvd.
LOS ANGELES 17, CALIF.
DUNKirk 8-3161

7950 Biscayne Blvd.
MIAMI 38, FLA.
PLaza 7-7658

233 Sansome St.
SAN FRANCISCO 4, CALIF.
EXbrook 2-8842

407 E. Washington St.
SPRINGFIELD, ILL.
8-4305

March, April and May will contain the tie-in of the campaign slogan—"Remember, if you're not fully insured—it's not enough."

Mr. Gibson had a record of a typical radio script which he played for his audience. The announcer said:

"Any fire is a tragedy. Don't make it worse. Be sure you have enough insurance to meet today's higher cost. The National Board of Fire Underwriters says, check now with your local independent agent or broker. Remember, if you're not fully insured—it's not enough."

After the presentation by Messrs. Westervelt and Gibson, there were some questions from the agents. At first it was evident there was a feeling of restrained criticism that the program was not enough, that it would not do enough of a job, that some areas of the country are not to receive the television coverage they hoped for, or that there was nothing in the campaign that would give direct obvious benefits to any particular local agent. However, as the discussion went on the agents realized they had to take a hand in the production and do their own advertising and take advantage of the campaign to sell more business.

One of the agents remarked it is too bad TV is not to be employed in one of the smaller markets so as to give a comparison of the effect of the campaign between a major city and an area where TV time does not cost so much. Mr. Gibson explained the best has been done with the money that could be done in the hope of capturing the largest possible audience and getting across the theme of purchasing insurance from a stock company local agent.

When another agent commented that there is not a great deal of time available in which local boards can get details of the program, order their materials from the National Board and buy space in newspapers and time on the radio, Mr. Gibson admitted that this is so, there being only about six

weeks until the campaign starts on March 4. However, there is a tighter schedule still for the advertising agency and the National Board, and the reason the campaign starts when it does is that this 13-week period is the last one in which the greatest market coverage can be caught until fall.

Mr. Slawsby, who was also getting his first view of the campaign, said his first reaction to the unveiling was one of slight disappointment, but on thinking it over he realized that the technique being employed is the same as that of introducing a new brand of soap—to familiarize the public with themes and a slogan. By itself, it can only do so much, he noted, but the repetition of the themes, especially backed up by local advertising, should have a tremendous effect. If the campaign makes a prospect willing to see an agent it is doing the job, he stated.

It was noted that in the newspaper ads and the leaflets the new NAIA symbol of the independent agent is to be left off. This is because the symbol is a trademark and cannot be used by non-members. Mr. Gibson said he understands that NAIA comprises about 33% of the total agency force, and a good many stock agents are being invited to take part in the campaign even though they are not affiliated with NAIA. However, the symbol can be added to the newspaper advertising by local boards or by member agents. It will be used by companies supporting the agency system in their advertising, and the company advertising in many cases will be tied in with the national campaign.

The only difficulty that seems impossible to solve is that of some state associations or local boards which have their own symbol of identification, especially that of "Insuror." The national radio advertising will be recorded and in areas where "Insuror" is the vogue, it will be almost necessary for the agents to supplement the advertising by identifying the independent local agent as an "Insuror."

YOU can

BACK the ATTACK

on Traffic Accidents

Let's make 1957 a safe-driving year.

We hope that you, as insurance agents, will emphasize to your insureds the importance of this all-out, year-long effort, sponsored by the National Safety Council, to cut traffic accidents.

Material for this campaign is available from:

National Safety Council
425 N. Michigan Ave.
Chicago 11, Illinois



Our Complete Markets
Both Domestic and Foreign
Plus
Direct Excess Facilities
and
Surplus Lines Facilities
Enable the Producer to Answer
His Needs Completely
and at One Stop

REINSURANCE Agency Inc.

CHICAGO, ILLINOIS — 308 WEST JACKSON BLVD. • WAbash 2-7515
ANDREW J. HELMICK, President • CHARLES B. CRAM, Vice President
CHARLES A. POLLOCK, Secretary



CASUALTY • FIRE • MARINE • SURETY

150 WILLIAM ST., NEW YORK 38, N. Y.

ROYAL INSURANCE COMPANY, LTD. • THE LIVERPOOL & LONDON & GLOBE INSURANCE COMPANY LTD
ROYAL INDEMNITY COMPANY • GLOBE INDEMNITY COMPANY • QUEEN INSURANCE COMPANY OF AMERICA
NEWARK INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA • AMERICAN AND FOREIGN
INSURANCE COMPANY • THE BRITISH & FOREIGN MARINE INSURANCE COMPANY LTD. • THAMES
& MERSEY MARINE INSURANCE COMPANY, LTD. • VIRGINIA FIRE & MARINE INSURANCE COMPANY

NOW*... Ohio Casualty offers agents an opportunity for better service to clients and increased premium income with the new "5-STAR" FAMILY AUTOMOBILE POLICY



This new policy is so much broader and more attractive than standard forms that it deserves every agent's attention.

It actually includes 17 new features at no extra cost!

For the maximum in protection, two coverages are available in the form of endorsements: Automobile Death & Disability (including specific disability benefits) and the new Uninsured Motorist coverage.

Want all the facts? Just ask for a copy of the advertising piece shown here. With it we'll include separate pamphlets on the endorsements.

*In most states



THE
Ohio Casualty
INSURANCE COMPANY
HOME OFFICE, HAMILTON, OHIO

Offices in: Aurora, Ill., Baltimore, Chicago, Cincinnati, Cleveland, Columbus, Compton, Cal., Dallas, Dayton, Denver, Des Moines, Detroit, Grand Rapids, Haddon Heights, N. J., Harrisburg, Indianapolis, Inglewood, Cal., Kansas City, Lansing, Mich., Long Beach, Los Angeles, Louisville, Milwaukee, Minneapolis, Newark, No. Hollywood, Cal., Oakland, Oklahoma City, Orlando, Pasadena, Philadelphia, Pittsburgh, Portland, Ore., Riverside, Cal., San Diego, San Francisco, Scranton, Pa., Seattle, South Bend, Springfield, Ill., Toledo, Washington, D. C.

Louisville Agents Elect Scholtz, Wyatt, Barnes

At its January meeting, Louisville Board of Insurance Agents elected Joseph D. Scholtz Jr. president and Rob-



J. D. Scholtz Jr.



R. W. Barnes Jr.

ert L. Wyatt vice-president. R. W. Barnes was reelected executive secretary-treasurer.

Mr. Scholtz was with Sterling G. Thompson Co. agency in Louisville from 1937-1946. In 1946, he joined English Miller in opening the Miller & Scholtz agency.

The board presented its annual award of merit plaque to Commissioner Thurman of Kentucky and presented past presidents C. E. Swope, W. Culver Vaughan and John S. Long with plaques for meritorious service as members of the city board of education's insurance committee.

N. Y. Federation to Hold Albany Meeting

Insurance Federation of New York's executive committee will meet Feb. 19, at the Sheraton-Ten Eyck hotel in Albany. Members of the legislature will be entertained at a cocktail party and informal reception following the meeting.

Ohio State Schedules Annual Conference

Ohio State university will hold its eighth annual fire and casualty conference for insurance personnel March 1. The education conclave is sponsored by the college of commerce and administration in cooperation with the Insurance Federation of Ohio, Ohio Assn. of Casualty & Surety Managers, Ohio Assn. of Insurance Agents, Ohio Assn. of Mutual Insurance Agents, Ohio Fire Underwriters Assn., and 1752 Club of Ohio.

Coordinated by John S. Bickley, professor of insurance, the conference will be divided into three sessions based on the theme of selling and sales communications. The topic of the first session is the psychology of selling. The second will concern how agents and companies might establish close contact with insured. Marketing through direct mail will be the topic of the third and final session.

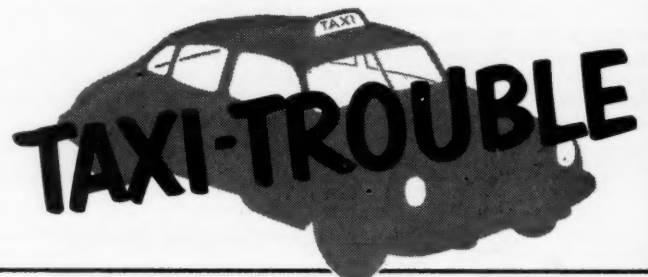
The conference will be held in the Ohio Union on the campus of the university. Registration may be made through Bureau of Business Research, Ohio State university, Columbus 10. The fee is \$9.

Last year's conference was attended by more than 300.

Detroit Casualty Group Elects Arvin President

Detroit Casualty Underwriters Assn. has elected H. E. Arvin, Citizens Mutual Automobile, president; J. E. Upton, Standard Accident, vice president; D. L. Sundell, secretary; and C. Biagiotti, Aetna Casualty, treasurer.

J. Manson of Employers Liability, and J. A. Babb of Michigan Mutual were named directors.



Finding coverage for taxicabs is sometimes as tough as locating a vacant cab in a Chicago blizzard. But at Illinois R. B. Jones you'll find your taxi business is warmly welcomed.

We're set up to handle both primary and excess coverages on taxicabs of all types anywhere. We have the same facilities to offer in the case of livery cars.

We not only have the broadest foreign and domestic markets, we have the kind of personnel who know the best and the fastest ways to handle those risks which you can't write through your normal sources. One try will convince you.

Illinois R. B. Jones Inc.

175 W. Jackson Blvd., Chicago 4, Ill. • WAbash 2-8544

C. Reid Cloon, President

1401 Peachtree St. N.E., Atlanta, Ga. • Emerson 2584

William E. Lersch, Vice-President

Travelers Names Several Officers

Travelers group has made a number of appointments.

J. Donald Griffin and John F. Harris were named vice-president of Travelers and Travelers Indemnity, and James C. Smith and Lyle G. Wimmer were appointed 2nd vice-presidents of Travelers Indemnity.



J. Donald Griffin

Paul W. Newman was named a 2nd vice-president of Travelers Fire, and Laurence W. Phelps was advanced to secretary of the eastern department and James Logan to assistant secretary of that department of the fire company.

Raymond V. Alger, Paul E. Berglund, Richard H. Butler, Lloyd W. Denison, Irving H. Schlesinger and Synant J. Williams Jr. were named as secretaries of the compensation and liability underwriting departments of Travelers Indemnity.

George M. Douglass and Bertil W. Krohn were promoted to secretary of the indemnity underwriting department of Travelers Indemnity.

Philip A. Connor, William G. Leary, John M. Parker and Thomas J. Sisbrower were named assistant secretaries of both companies.

James A. Hall, agency secretary of Travelers since 1950, has retired. He joined Travelers in 1926 as fire and marine manager at Richmond. Subsequently he was assistant district manager and district manager of the southern department of Travelers Fire in Atlanta. In 1927 he was appointed an assistant superintendent of agencies at the home office, and in 1929 was made assistant agency secretary.

Mr. Griffin joined Travelers in 1924,

became underwriter in 1935, chief underwriter in 1942 and assistant secretary in 1945.

Mr. Harris has been with Travelers since 1928. He was named assistant office manager at Washington, D. C., in 1929 and went to the home office in 1934 as a branch office supervisor. He was named supervisor of the automobile department in 1945, assistant secretary of the compensation and liability department in 1947 and secretary in 1954.

Mr. Smith joined Travelers Indemnity in 1939 to organize its fidelity and surety department after having been with American Surety from 1919. He is a director of Insurance Society of New York, chairman of the surety advisory committee of Assn. of Casualty & Surety Companies and a past president of Surety Assn. of Michigan and Casualty & Surety Club of Michigan.

Mr. Wimmer joined Travelers in 1944 as an assistant secretary. He had previously been an assistant vice-president of Hartford Steam Boiler. He became secretary in 1947.

Mr. Newman will be associated with Charles P. Jervy, vice-president, and Robert Wareing, 2nd vice-president, in countrywide duties of Travelers Fire.

Mr. Newman joined Travelers in 1925 as a fire and marine field supervisor in Worcester, Mass. He became



James C. Smith



Paul W. Newman



Lyle G. Wimmer



John F. Harris

manager there in 1927, assistant manager at Philadelphia in 1926 and manager at Pittsburgh in 1940. He went to the home office in 1946 as an assistant superintendent of agencies and in 1949 was named secretary of the eastern department of Travelers Fire and Charter Oak. In 1923 he joined the eastern department of Fireman's Fund in Boston as chief underwriter in charge of New England and Canada.

Mr. Phelps started with Travelers in 1928 in the western underwriting division of the fire companies and in 1931 transferred to Richmond, Va., as fire and marine special agent. He returned to the home office in 1938 as marine underwriter. He served in the Pacific coast marine department in 1942 and became superintendent of marine underwriting in Chicago in 1944. In 1953 he returned to the home

office as assistant secretary of the eastern department of Travelers Fire and Charter Oak.

Mr. Logan joined Travelers in 1928 as an assistant examiner in the western underwriting department. He transferred to Syracuse as a field supervisor in 1937 and in 1940 assumed the same duties in Albany. He was named assistant manager at Albany in 1942 and in 1953 transferred to Syracuse as fire and marine manager. He came to the United States in 1923 from Scotland and for a time was in the farm department of Hartford Fire.

George Gets Texas Post

T. W. George, office manager and automobile underwriter for Texas Casualty, has been appointed assistant director of the Texas department's automobile section.

General F.&C. Expands Facilities at Philadelphia

General Fire & Casualty has expanded the facilities of its Philadelphia office, and has appointed William J. Wood Jr. special agent for fire and casualty lines.

William M. Thompson, Philadelphia manager, will supervise the fire and allied lines division in the territory. Lester H. Blumberg, assistant secretary of the company at Philadelphia, will devote his entire time to production activities.

Mr. Wood formerly was with American Surety.

Royal-Globe Names Cadman Secretary

Philip B. Cadman has been named a secretary of the companies in the Royal-Globe group. He will continue direction of national fire underwriting activities.

He joined Royal-Globe in Chicago in 1929 and went to New York in 1941. He has had supervisory positions in the war damage, foreign and general cover departments, and served as secretary of Prudential of Great Britain, Skandia and Hudson when those companies were under Royal management. He has been national underwriting manager for Royal-Globe since 1953.

I'm surely insured... I've seen my AGENT

It really is a "good night." I never thought a person could feel so comforted knowing her family will wake up to a safe and secure future. But when my insurance agent told me that all our valuables and personal property could be covered by one policy, I took his advice. Now I'm surely insured... I've seen my agent.

AGENT'S NAME

TELEPHONE

ADDRESS

**SERVING AMERICA
THROUGH THE
AMERICAN AGENCY SYSTEM**



Glossy prints of this ad are available without obligation for newspaper reproduction. The independent stock company agent may have them upon request.



Don't listen to RUMORS!

... about insurance that is being placed with direct writers. The American Agency System is here to stay and we want to keep it that way. Northern Assurance is an Agency Company 100%.

The NORTHERN ASSURANCE has provided reliable insurance protection for over 120 years.

THE NORTHERN ASSURANCE CO. Ltd.



FIRE AND ALLIED LINES • AUTOMOBILE • INLAND MARINE • REPORTING FORM • FLOATER CONTRACTS
NEW YORK CHICAGO SAN FRANCISCO

The NATIONAL UNDERWRITER



EDITORIAL OFFICE:

99 John St., New York 38, N. Y.

Executive Editor: Kenneth O. Force.
Assistant Editors: John B. Lawrence Jr.
and Robert Young Jr.

CHICAGO EDITORIAL OFFICE:

175 W. Jackson Blvd., Chicago 4, Ill.

Managing Editor: John C. BurrIDGE.
Assistant Editors: Richard J. Donahue,
Richard Ebel, and Philip Van Pelt.
Production Editor: George H. Downs.

ADVERTISING OFFICE:

175 W. Jackson Blvd., Chicago 4, Ill.
Telephone Wabash 2-2704

Advertising Manager: Raymond J. O'Brien.

SUBSCRIPTION OFFICE:

420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 1-2140

OFFICERS:

Howard J. BurrIDGE, President.
Louis H. Martin, Vice-President.
Joseph H. Head, Secretary.
John Z. Herschede, Treasurer.
420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 1-2140.

SALES OFFICES

ATLANTA 3, GA.—432 Hurt Bldg., Tel. Murray 8-1634. Fred Baker, Southeastern Manager.

BOSTON 11, MASS.—207 Essex St., Rm. 421, Tel. Liberty 2-1402. Roy H. Lang, New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz and A. J. Wheeler, Chicago Managers. R. J. Wiegand and William D. O'Connell, Resident Managers.

CINCINNATI 2, OHIO—420 E. Fourth Street, Tel. Parkway 1-2140. Chas. P. Woods, Sales Director; George C. Roeding, Associate Manager; Arthur W. Riggs, Statistician.

DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Prospect 1127. Alfred E. Cadis, Southwestern Manager.

DENVER 2, COLO.—234 Commonwealth Building, Tel. Amherst 6-2725. Fred L. White, Rocky Mountain Manager.

DES MOINES 9, IOWA—327 Insurance Exchange Bldg., Tel. Atlantic 2-5966. D. J. Stevenson, Resident Manager.

DETROIT 26, MICH.—502 Lafayette Bldg., Tel. Woodward 1-2344. William J. Gessing, Manager for Indiana and Michigan.

MINNEAPOLIS 2, MINN.—1038 Northwest Bank Bldg., Tel. Main 5417. Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—99 John Street, Room 2420, Tel. Beekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.

NEWARK 2, N. J.—10 Commerce Ct., Tel. Mitchell 2-1634. John F. McCormick, Resident Manager.

PHILADELPHIA 9, PA.—1027 S. Broad St., Room 1127, Tel. Pennypacker 5-3706. Robert I. Zoll, Middle Atlantic Manager.

ST. LOUIS 2, MO.—221 Pierce Bldg., Tel. Chestnut 1-1634. Geo. E. Wohlgenuth, Resident Manager.

SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544 Market St., Tel. Exbrook 2-2054. Richard G. Hamilton, Pacific Coast Manager.

EDITORIAL COMMENT

FTC Gets Ready to Strike Out

We record in our news columns this week the fact that the Federal Trade Commission will be asked to reverse its hearing examiner's decision in the Bankers Life & Casualty case. Having commented editorially on this particular case before, just after the FTC closed down its road show hearing in Chicago early in 1955, we do not hesitate to add a few remarks now—realizing that the effort is chiefly for our own amusement, since every insurance man has learned in the last two years that it is a cinch to predict correctly what the FTC will do.

The Bankers L&C. hearing was the first the FTC conducted after sounding off against the A&S insurers. It has the distinction of being one of the very few tried solely on the merits of the charges, but the main distinction is that it is the only case the FTC lost even before its attorney got halfway through presenting his argument. It was such a mess that Raymond Hays, who was doing the fire-breathing act for the FTC, had to sneak back to Washington without daring to bring forth 16 of the 23 witnesses he had in the back room. Those who sat through the Chicago hearing knew that Examiner Loren Laughlin could only come up with a dismissal if he intended to stay out of an institution.

But the very same Raymond Hays who admitted privately two years ago in Chicago that to offer one more witness in behalf of FTC would be tantamount to suicide is now signing his name to an intent to appeal Mr. Laughlin's decision. Mr. Hays might have filed his intent to appeal out of sheer reflex action conditioned by his FTC training, perhaps without even reading Mr. Laughlin's 67-page opinion; because Mr. Laughlin, who is paid by the FTC incidentally, really didn't leave much room for anybody else to say anything. It must be remembered, however, that Mr. Hays is taking his appeal to the members of the Federal Trade Commission, the same group of savants who handed down that remarkable pronouncement on Public Law 15 in the American Hospital & Life case. With the American Hospital case as a precedent, Mr. Hays cannot be blamed for having a good deal of optimism over his chances with Bankers L&C.

As a spectator at the hearing of the Bankers case, we were interested in reading Mr. Laughlin's decision, taking special delight in such passages as:

"... The Federal Trade Commission has wholly failed to substantiate the charges of the complaint by any reliable, probative and substantial evidence. ... There was no proof of any actual deceit having occurred with respect to any of respondent's five million policyholders. ... It is the only case in which issue was so promptly joined and respondent immediately and willingly proceeded to hearing on the merits without the complications and delays of extensive motions, objections, arguments and hearings on legal issues relating solely to the commission's claim of jurisdic-

tion (on the theory that) if the commission has failed to maintain its case on the merits, then discussion and determination of the jurisdictional question becomes wholly moot and unnecessary."

And, "This is the only case brought by the commission ... in which the commission has not rested its case supporting the issues of the alleged deceptive and misleading character of the ... advertising upon a mere comparison by the hearing examiner and the commission of the respondent's advertising and policies advertised thereby. ... (The FTC) presented the testimony of a number of allegedly representative 'public' or so-called 'consumer' witnesses as to the mental 'impressions' which are claimed to have been made upon each of them by respondent's advertising. ... The sole disputed ultimate factual issues for decision upon the 'whole record' are whether certain particular statements in respondent's advertising of its ... insurance disseminated by it in 1953 and 1954 had the capacity and tendency to mislead and deceive the public. ... Commission's counsel made no proof of any actual deceit having been perpetrated by respondent's advertising upon its millions of policyholders."

And, "A tendency and capacity to mislead and deceive ... is dependent not only upon what the public witnesses actually testified to in words, but also upon the credibility, weight and value of such testimony. ... Such insurance advertising definitely is not addressed to the immature, the irresponsible, the incompetent, or the derelict. And most certainly its capacity and tendency to deceive cannot be decided by any speculative effect upon the moronic or the illiterate. ... The commission's staff members have badly underestimated the general intelligence level and the general knowledge of health and accident insurance coverage possessed by that portion of the public which today comprises the market for insurance. ... In recent years the whole country has become insurance minded and is currently well on the way to being insurance educated by reason of the many forms of protection now made widely available to and held by a vast majority of the public."

And, "In any event, the examiner is at a complete loss to determine wherein the complained of language (in the advertisements) can deceive anyone to his damage. ... The FTC is neither empowered by law nor in any way otherwise qualified to superimpose upon the insurance industry regulation of the forms and contents of its policies and related contractual documents under the guise of regulating the insurer's interstate advertising. ... A careful examination of the advertisements in this case, in their full context, does not demonstrate that any interested person is likely to be misled and deceived by the questioned language as it appears in the advertisements involved. ... To infer the existence of public interest from the prejudiced and speculative testimony of seven people against the solid fact that there are millions of policyholders who have not complained, is to stand upon an inference which is contrary to the facts established by the record herein. There is no substantial evidence upon which to find that this proceeding is to the public interest."

Despite what Mr. Laughlin has to say, we can readily understand why Mr. Hays intends to appeal. There is every reason to believe FTC will con-

tinue to go along its steady course of stubborn bureaucratic bumbling and wind up in the federal courts with one more case predicated on sheer inanity.

After laying its publicity groundwork so well and after resorting to tactics even professional wrestlers haven't the audacity to try, it is difficult to comprehend how the FTC has allowed its near-stranglehold on the A&S business to slip. It is in court with the Fireman's Fund and almost surely will lose; it is in court with the American Hospital & Life over an interpretation of Public Law 15 that no one in the United States had dreamed possible, and it is getting itself ready to become involved in an action with Bankers Life & Casualty over a hearing record and opinion that are devastating to its cause. When the decisions are in on those three cases the FTC should be washed up insofar as insurance is concerned.

Everything that has happened since the FTC stuck its nose in the insurance tent demonstrates that when something comes to an issue the FTC can be relied upon to box itself into a corner by taking a stand on about the same level-headed basis used by Gen. George Custer. The FTC started out with a bang to coerce insurance into its realm of jurisdiction, but when it goes to Congress with the miserable record it has compiled as to integrity in dealing with the business, ethical persuasion of its cause and its reasonableness of action—plus the court decisions it almost has to get hooked with, then insurance will be rid of this worst possible example of the horrors of centralized logic and the FTC can go back to soap and cigarettes.

PERSONALS

Kenneth E. Black, president of Home, has been elected a director of Chemical Corn Exchange bank. Mr. Black also is a director of Atlantic Coast Line railroad, Harlem Savings bank, Insurance Society of New York, Underwriters Laboratories, Underwriters Salvage Co., and Western Adjustment.

Harry J. Boyle, general manager of the Pacific department of General Adjustment Bureau, has been elected mayor pro tem of Hillsborough, Cal., a suburb of San Francisco.

Miss Grace G. Snyder, vice-president and office manager of *Weekly Underwriter*, has marked the 60th anniversary of her association with the publication, which she joined as a clerk and stenographer in 1897.

Frank Zelle of the C. A. Worthington agency of Trenton, completing his 50th year in the business, was honored at a testimonial dinner by Mercer County (N.J.) Assn. of Insurance Agents, held in conjunction with the January meeting.

R. Kelvin Shivers, local agent at Washington, has been named general chairman of American Cancer Society's District of Columbia division for 1957.

Martin Rudlang, superintendent of production in the home office bonding department of Fireman's Fund group,

was guest of honor at a luncheon held by Surety Underwriters Assn. of Southern California, on the occasion of his transfer to the western department in Chicago where he will be superintendent of production in the fidelity and surety department.

DEATHS

ORVILLE M. MOORE, 59, state agent in Colorado and Wyoming and Denver manager of Loyalty group since 1930, died after a brief illness. He was a PMLG of Colorado Blue Goose and immediate past president of Fire Underwriters Assn. of the Mountain States. He was also a past president of Mountain States Casualty & Surety Assn.

W. P. VAN WORMER, state agent of Phoenix of Hartford in western Michigan out of Grand Rapids died suddenly in Hartford where he had been attending a home office field men's conference. He joined Phoenix in 1926 and observed his 30th anniversary with the company on Dec. 1.

WALTER E. BATTERSON, 70, grandson of the founder of Travelers, and assistant secretary of the company from 1924 to 1929, died at his home in Hartford. He joined Travelers as a clerk in 1908.

JAMES E. WATKINS, 76, founder of the Watkins agency and secretary-treasurer of Insurers of Chattanooga, died at his home in Chattanooga.

CLAUDE A. PARRAMORE, 63, of Scotland Neck, N.C., a former local agent, died of a heart attack. He was assistant postmaster at time of his death.

R. FRED GRAY, 48, local agent at Asheville, N.C., died there of a heart attack.

THEODORE W. LENIHAN, 53, president of Lenihan & Co. agency of Cleveland since 1938, died of a heart attack at his home in Shaker Heights. Mr. Lenihan joined his father in Lenihan & Co. after graduating from Princeton in 1927, and became president when his father died in 1938. He was a member of Insurance Board of Cleveland.

HAROLD S. SPEED, 56, New Amsterdam and U. S. Casualty claims representative in White Plains, N. Y., died in the city hospital there.

PLATT H. PHIPPS, 55, secretary of the Home agency of Beckley, W. Va., died in Beckley hospital.

BENJAMIN TRUMBLE, 53, retired agent at Flint, Mich., died at Hurley hospital. He had sold his agency in 1955 to Howard G. Downey.

JAMES J. McGUIRK JR., 62, secretary and assistant general counsel of Royal-Globe, died at his home in Bernardsville, N. J. He joined the group in 1918. He was mayor of Bernardsville 1947-49. He was named counsel of Globe Indemnity in 1941 and secretary in 1943. He became assistant general counsel for the group in 1943 and secretary in 1952.

ALBERT H. PIKE, 71, principal supervisor in the arson department of National Board, died at Northern Westchester hospital, Mt. Kisco, N.Y.,

after a long illness. He had resided at Katanoh, N.Y.

After practicing law in Washington, D.C., he went with the FBI in 1912. Later he was with an oil company and practiced law in New York. In 1930 he joined the arson committee of National Board, where he has had a major part in many of its investigations, particularly those directed against organized arson rings.

FREELAND J. GIBBONS, 71, local agent since 1928, and founder of F. J. Gibbons & Son agency in Rahway, N.J., died in Rahway Memorial hospital there.

JOHN C. TUBBS, 57, local agent of Toledo, died. He was a past president of Toledo Assn. of Insurance Agents.

ROY C. THOELE, 56, died Jan. 11 at Brokaw hospital in Bloomington. He had been ill several months. Mr. Thoele was vice-president and secretary of State Farm Fire & Casualty, and in June would have observed his 20th anniversary with State Farm. In 1937, Mr. Thoele joined the accounting department of State Farm F.&C. and in 1949 was appointed assistant treasurer. He was named secretary in 1952.

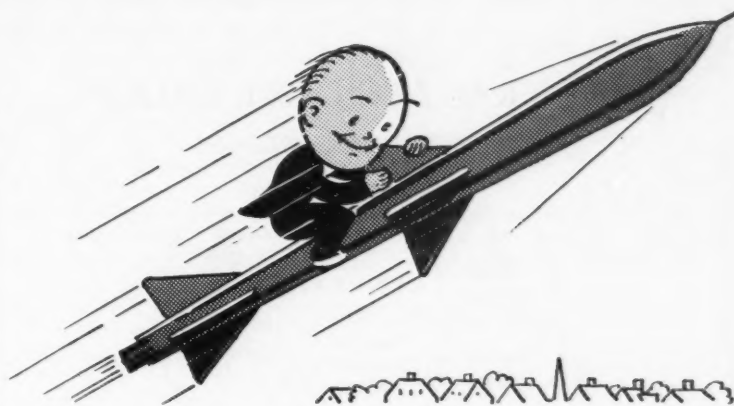
Another Insurer Moves to Form Life Company

Safeguard Life has applied to the Connecticut general assembly for a charter. Capital would be \$300,000, and the home office would be in Hartford. Another bill asks for authority to increase capital of Safeguard, the parent company, from \$1 million to \$1.5 million. Incorporators of Safeguard Life include Worthington W. Smith, president, and other officers of Safeguard, which recently was formed by merger of Orient, London & Lancashire Indemnity and Safeguard of New York.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, Jan. 15, 1957

	Bid	Asked
Aetna Casualty	121	123
Aetna Fire	66	67½
Aetna Life	178	181
Agricultural	30	31
American Equitable	33	35
American, (N.J.)	25¾	26¾
American Motorists	10½	11½
American Surety	18½	19½
Boston	32¾	33¾
Camden Fire	26	27
Continental Casualty	81	82½
Crum & Forster com.	58	60
Federal	34½	35½
Fire Association	43¾	45
Fireman's Fund	51	52½
Firemen's, (N.J.)	36	37
General Reinsurance	46	47½
Glens Falls	34½	36
Globe & Republic	18¾	19¾
Great American Fire	33¾	34¾
Hartford Fire	135	137
Hanover Fire	40	41
Home (N.Y.)	43¾	44¾
Ins. Co. of No. America	92¾	94
Maryland Casualty	32½	33½
Mass. Bonding	31½	32½
National Casualty	63	Bid
National Fire	87	90
National Union	38	39
New Amsterdam Cas.	44½	46
New Hampshire	38	40
North River	34½	35½
Ohio Casualty	23½	25
Phoenix Conn.	77	78
Prov. Wash.	30½	21½
St. Paul F. & M.	45½	47
Security, Conn.	30¾	31¾
Springfield F. & M.	47	48½
Standard Accident	48½	49½
Travelers	72¾	73¾
U.S.F. & G.	62¾	63¾
U. S. Fire	25½	26½



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Independent agents who are setting their sights on bigger and better business for '57, will do well to work with Holyoke Mutual.

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writes the policies that will make the sales . . . including Homeowners and Tenants. gives its agents the service that makes and keeps friends . . . prompt cooperation in approving applications and in settling losses. backs its agents' efforts with advertising, and promotional material for his use. has kept an unchallengeable reputation for being "good to work with" for over 100 years!

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DUnkirk 5-4261

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CORPORATION, Ltd.

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in joint effort and common aim,
to produce modern coverages
and to market insurance protection
for industry, commerce, business
and individuals.

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NEW YORK 5, NEW YORK
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Lenehan, Others Are Promoted by America Fore

John W. Lenehan, state agent of America Fore group fire companies at Minneapolis, has been appointed agency superintendent at Chicago. He has been succeeded by State Agent Willard A. Davis, who transfers from Wichita. Special Agent Archie L. Pearson replaces Mr. Davis in Kansas.

At Minneapolis, Mr. Davis will be assisted by Special Agents Guy B. Williams and Paul R. Ferguson. Kelton G. Packard, special agent at Indianapolis, transfers to Wichita to assist Mr. Pearson.

Mr. Lenehan joined America Fore at Chicago in 1926. He became special agent of Continental in Des Moines in 1935, state agent of Niagara Fire there in 1938, and state agent of all the America Fore fire companies at Minneapolis in 1948.

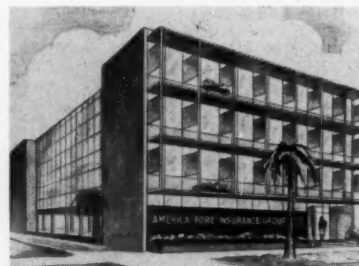
Mr. Davis entered insurance in 1942, joined America Fore in 1949, becoming western Kansas state agent for the fire companies in 1952. Mr. Pearson went to America Fore in 1954 as a special agent for western Kansas after seven years with an agency in Oklahoma City.

A Look at the 1957 Employment Situation

(CONTINUED FROM PAGE 15)

Hiram College in Ohio. The father of a prospective student asked Mr. Garfield if there were some way his son could go through the college in less than the prescribed time. Mr. Garfield's reply was classic—he replied that it could be done depending on what the father wanted to make of his son. "When God makes an oak tree, it takes Him about 100 years, but when He makes a squash, He does it in about 6 months."

A commentator on TV recently stated that America was becoming a nation of individuals who were so busy seeking new devices, buying new things at such a rate that they were not using the things that they already possessed. There is a parallel in business in this comment. We are so busy seeking new employees, new blood for the business that we are failing in our effective development of talent already in our organizations. As such, we are adding to the demand in an already unbalanced market.



Pictured above is an artist's drawing of the newly opened America Fore building at 2515 Canal Street, New Orleans. It houses field offices of the group's three fire companies, Continental, Fidelity-Phenix, and Niagara Fire, and a branch office of Fidelity & Casualty. America Fore is represented by Senior Special Agent Kenneth Notter and Special Agents Glen Luker and Carl Stevenson. Joseph H. Muth is staff adjuster. J. D. Sullivan is resident manager and R. E. Cooper is claims manager of Fidelity & Casualty.

AGAIN WE SAY

thanks . . .

. . . very much for placing your confidence in the Mill Owners Mutual Insurance Company during the past years.

During 1957 you will continue to benefit from even greater company financial stability . . . prompt loss payment . . . multiple lines written . . . experienced management . . . and unequalled personal service from your Mill Owners Special Agent. May you and yours enjoy happiness, good health and prosperity during the New Year.



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Ind. Governor Signs Regulations to Counter Rash of New Insurers

The new Indiana regulations, No. 1956-1, covering the organization, promotion, and capital enlargement of stock companies, were signed by the governor on Jan. 4. The regulations as signed were amended in several details from the wording proposed originally in November. The amendments resulted from criticism developed in a public hearing on Nov. 15.

Whereas the proposed regulations were so worded as to apply to the capital enlargement of any company, the promulgated regulations are worded to apply only to companies less than six years old. This change resulted from the objection of long-established stock companies in the state that the restrictions on capital expansion might hamper their operations while actually seeking only to control only the promotion of new companies.

The proposed regulations required an agreement signed by directors, officers, and stockholders owning 10 or more shares that they would not, during the period any new stock was being offered nor for a stipulated time thereafter, sell or offer for sale any stock at a higher price than that at which it was acquired. This portion of the regulation was changed in final form to exempt stockholders owning not more than 10% (in contrast to 10 shares) of company stock. The 10-share limit still applies to directors and officers.

Further, the proposed regulations set the "no resale" period at two years. The final regulations lowered the period to six months. This change is said to have been requested by the attorney general of the state. The constitutionality of the no resale requirement had been challenged in public hearings. The attorney general is said to have agreed with doubts on constitutionality and specified the six months limit to correspond to the SEC requirement.

The proposed regulations would have limited organization and promotion expenses, including commissions on the sale of stock to an over-all 10%. Securities dealers pointed out at the hearings that the statutory fees amount to approximately 3%, thus leaving a net of only about 7% for promotion and commissions. The final regulations change the 10% over-all limit to 10% exclusive of statutory fees.

The new regulations represent a major attack on the problem of mushrooming new companies in the state, some being organized by principals having no past insurance experience whatsoever. They were drafted after it became apparent that doubling the capital and surplus requirements by the last session of the state legislature was not serving as an effective deterrent for promotional-type formations.

The regulations require filing with the commissioner a specified list of documents and records intended to give the department a thorough picture of all moves in connection with the formation and promotion of new companies. Heretofore, such organizational activities have been under the observation of the securities commissioner only.

In addition to the restrictions on resale of new issues of stock, the regulations provide that the sale price of any new issue within five years of the date of the company's original license shall be subject to the approval of the commissioner and may not exceed 200%

of the lowest price at which any shares were previously issued except under special circumstances to be judged by the commissioner. The restriction is intended to reduce the "tiering" of stock values (bringing out constant new issues at higher prices) which has plagued the business in Indiana.

The regulations also require that the price of stock be paid in cash or note of not more than 90-day maturity, and forbid any tie-in between the note and the purchase of insurance or projected dividends from insurance.

Also forbidden by the regulations is the device of an "underwriting company" or agency controlled principals of the insurance company through which all new business writings are funnelled and pay an override. The president of one new company in the state is rumored to have a combined income of \$75,000 from the insurance company and the underwriting company for it.

The regulations specify that they shall not apply to reorganizations, mergers, or any issue of stock not intended for public offering.

O'Connor Is Assistant Manager at Chicago of National Fire

J. Barry O'Connor has been promoted to assistant manager of National of Hartford group's western department in Chicago.

Mr. O'Connor joined the group in 1926 as an examiner in the improved risk department and was later advanced to superintendent of the brokerage and reporting cover department. Last March, he was promoted to agency superintendent with supervision of the group's mercantile block business and brokerage and reporting cover department.

As assistant manager, Mr. O'Connor will be in over-all charge of underwriting, and will also assume other administrative duties.

Commercial Standard Has New H.O. in Ft. Worth

Miss Kaye Buck, 19, daughter of Raymond E. Buck, president and chairman of Commercial Standard group, clipped a red ribbon formally opening the group's new home office in Ft. Worth, Tex. Also taking part in the ceremony were Sen. Lyndon B. Johnson and Lt. Gen. Roger M. Ramey, USAF, who will become vice-president and director of Commercial Standard Life and director of Commercial Standard upon his retirement from service this month.

Tabb Joins Houston Agency

William Tabb, field supervising analyst of the Texas department, has joined John L. Wortham & Co., local agency of Houston.

New York Board has appointed Alan O. Robinson, president of Yorkshire, to the finance committee.

Whitchurch Retires as Continental Casualty V-P on Pacific Coast

LOS ANGELES—William J. Whitchurch, resident vice-president of Continental Casualty, has retired after 50 years service.

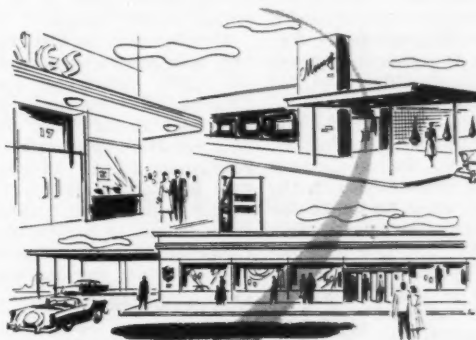
Mr. Whitchurch was employed as an office boy in 1906 and served in various capacities until 1923 when he joined California Agencies Inc. as manager at Los Angeles. When that organization was purchased by Conti-

ental Casualty, he was named resident vice-president of Continental in charge of claims for the entire Pacific coast territory.

Mr. Whitchurch is a past president of Casualty Adjusters Assn. of Southern California.

New Jersey CPCU chapter at its January meeting in West Orange heard Joseph Johnson, assistant manager of New York office of Indemnity of North America, discuss retrospective rating plans now available in New Jersey for workmen's compensation.

Step up protection and savings for business property owners



INADEQUATE insurance is a common weakness of business insurance programs. Too often—after a loss—business owners find that they won't recover nearly enough to replace destroyed buildings, stock and equipment. Or, they have no coverage at all against loss which could have been insured.

Why is this? Better selling would help; just as there is need for better planning of programs to provide more adequate protection—

adequate insurance protection at reasonable cost.

It's here that the lower net cost of mutual insurance can be of help to agents in getting higher insurance-to-value; in selling additional forms of insurance that round out protection.

We'd like to tell more agents about ways that Grain Dealers' services can be used to step up protection and savings for their business clients. Write for full information on our AGENCY PLAN.

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—Audits for Casualty & Inland Marine Carriers

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Payroll Audit Service—has the ability and get-up to get the job done adequately and promptly. 1956 Record—47,000 Audits. Better Service for your agencies and assureds.

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IOWA MINNESOTA DAKOTAS NEBRASKA MISSOURI ILLINOIS WISCONSIN
INDIANA MICHIGAN KANSAS OKLAHOMA COLORADO NEW MEXICO

Four Commissioners Named in Midwest

(CONTINUED FROM PAGE 1)

partment and I know them as good people."

Mr. Gerber's first appearance in his new role probably will be Jan. 18 as guest of honor at the meeting of the Insurance Group of Union League Club of Chicago.

Palmer in Indiana

Appointment of Alden C. Palmer, chairman of the board, Insurance Research & Review Service, Indianapolis, and a resident of Danville, Ill., as Indiana commissioner was announced on Tuesday, day after the inauguration of Gov. Harold W. Handley. Selection of Palmer, a "dark horse" whose name had not been mentioned in the hot race for the appointment that has been going on in the state since Handley's election in November, was based largely on the facts that he has no political connections with either of the two warring factions of the Republican party in the state, has never before held a political office, and has no connection with any company.

An Indiana university law graduate who has never practiced law, Palmer, after experience in the newspaper field, first became connected with the insurance business when he joined the R & R staff in 1919, a few years after it was formed by the late Mansur Oakes, a Rough Notes Co. employee.

Leaving R & R in 1927, he became general agent for the old Peoria Life in Philadelphia, going with the Home Life of N. Y. in the same capacity in Minneapolis in 1931. Returning to R & R in 1936, he became director of that company's training course division. Made vice-president also in 1941, he became chairman of the board after the death of Paul Speicher, R & R president.

Widely known in the life business as a speaker and lecturer, Palmer was in charge of the old "Purdue short course," which eventually developed into the Purdue institute of life insurance marketing. He is credited as being the "father" of the institute.

Palmer is author of one book, "The Recruiting Process," and of numerous pamphlets, booklets, and studies on life insurance.

Palmer stated that he plans no personnel shake-up in the department but will retain all key employees who wish to stay. He further made the specific statement that he would retain Clyde Ingle, chief examiner, who was a major contender for the commissioner's post.

In general, Palmer is expected to continue the policies of W. J. Davey, retiring commissioner, considered by the business in Indiana, life and property, companies and agencies alike, to have been one of the most outstanding and effective commissioners in years. He also plans to carry through on a plan of complete reorganization of the department blue-printed by Davey. Davey had already gone over the plan with Handley before the new governor took office and has reported a favorable reaction from him.

Palmer will also push for the bi-annual budget prepared by Davey before leaving office and calling for an increase in appropriation from \$162,500 a year to approximately \$250,000. This will still leave the Indiana department well under the national average in the amount of money retained from insurance taxes and fees. The national average, according to Professor N. R. Roos, University of Arizona, who reported a study of 46 states at the American Association of Univer-

sity Teachers of Insurance meeting in December, is 4.3%. The Indiana appropriation for the past two years has been 2.1%. The requested budget would be 3.1%.

Bennett in Iowa

DES MOINES—The name of the incumbent Iowa insurance commissioner, Oliver P. Bennett, was sent to the senate of the Iowa legislature for confirmation by Gov. Leo Hoegh, who leaves office Thursday. The appointment was confirmed.

Unless Hoegh had sent Mr. Bennett's name to the senate the interim appointment under which he is serving would have ended in 30 days.

Due to the fact that the Republican governor will be succeeded by a Democrat Thursday, the appointment would have gone to a Democrat if Hoegh hadn't acted.

Mr. Bennett, a Mapleton, Ia., lawyer, was named commissioner on Oct. 12, 1935, following the death of Charles R. Fischer. The legislature had already met that year and as a result the appointment had to be confirmed within 30 days after the new legislature met.

The Republicans control the senate with 40 out of a membership of 50. However, it took a two-thirds secret vote to obtain the confirmation.

Vorys in Ohio

COLUMBUS—Arthur I. Vorys, a grandson of the first Ohio superintendent, has been appointed by Gov. O'Neill as insurance superintendent of Ohio. He is a member of the law firm of Vorys, Sater, Seymour & Pease, and succeeds R. E. Younger, who was appointed several weeks ago following the resignation of August Pryatle to become a municipal judge at Cleveland. Mr. Younger, who is a deputy, was in for an interim appointment.

Mr. Vorys' law firm is well known to insurance men, having represented insurance interests on many occasions.

Webb Vorys, father of the new superintendent, is a director of Ohio Farmers, Western & Southern Life, and Credit Life of Springfield. Webb Vorys and Arthur Vorys were Franklin county managers of Gov. O'Neill's campaign.

DiMeola, Wightman Promoted by Gulf

R. L. DiMeola has been promoted from assistant vice-president to vice-president of Gulf of Dallas, and George E. Wightman has been elected assistant secretary.

Mr. DiMeola has been with Gulf for six years and prior to that was with Joseph Froggatt & Co. Mr. Wightman has been in charge of automobile claims at San Antonio for several years, more recently moving to the head office in a supervisory capacity in the auto claims department.

Phoenix of Hartford Holds Field Roundup

Phoenix of Hartford group held its production conference for managers and field men three days last week at the home office. More than 200 field men and managers from throughout the U. S. and Canada attended. John A. North, president, addressed the conference at the opening session. Vice-president Edward J. Martin was chairman of the roundup.

The conference concluded with a banquet at the Hartford club.

Tex. Graduated Rate Issue Probably to Be Decided by Court

AUSTIN—John Osorio, chairman of the Texas board of insurance commissioners, last week said that he is inclined to let the courts settle the question of the graduated rating program for dwellings now being used by six companies. When Mr. Osorio replaced J. Byron Saunders there was speculation that he might side with Commissioner Mark Wentz rather than Commissioner Brownlee and swing the result the other way.

It is now explained that the difference between the board majority and the companies is purely a legal question, with the commissioners contending that the filings actually constitute a "deviated plan" rather than "deviated rates." If the filed schedule of reduced rates for larger dwellings is held to be a "plan," the board must promulgate it, according to this interpretation, and if it is a "rate," then the companies may file the deviation.

Flexible Auto Rate Bill Filed in Texas

AUSTIN—Substitution of a flexible rating system for the single-rate plan on all kinds of automobile insurance, which has long been effective in Texas, is proposed in the first insurance bill introduced in the 1937 legislature. The bill, submitted by Sen. Secrest of Temple, has been referred to the senate insurance committee.

A stiff intra-industry fight is expected, since the measure is supported in general by National Assn. of Independent Insurers, which has about 40 Texas company members, and is opposed by Assn. of Texas Fire & Casualty Companies. Both groups have issued lengthy statements on the issue, with emphasis being placed on competitive factors and on compliance with Public Law 15 in the matter of state regulation.

The central feature of the Secrest bill is that a company may file its own auto rates and rules. Except for the rule that the "rates shall not be excessive, inadequate or unfairly discriminatory," it is provided that uniformity among insurers is "neither required nor prohibited." A detailed procedure for filings is set up.

Tennessee Field Men Elect Middleton President

George S. Middleton, America Fore, was named president of Tennessee Fire Underwriters Assn. at a special meeting in Nashville, replacing Gilbert F. Jones, North British, who has been transferred to Philadelphia. Charles Griffith, Travelers, was elected vice-president. Jack Elvis, Phoenix of Hartford, remains secretary-treasurer.

Plans were made for the third annual Tennessee educational caravan the first two weeks in May. P. R. Smith Jr., Royal-Globe group, will supervise the program and Charles Lang, Hartford Fire, will act as co-chairman. Minor R. Crowl, Royal-Globe group, will assist as public relations chairman.

Superintendent Holtz of New York department discussed the gaps and shortcomings apparent in his state's compulsory auto liability legislation at a January meeting of National Democratic Club.

NAII Adds 21 Member Insurers, Eight Subscribers

National Assn. of Independent Insurers has added 21 new member companies and eight new subscribers.

New members are Agricultural Indemnity of Wyoming; Bancar of Hutchinson, Kan.; First of Georgia F.&C. Central Casualty of Chicago; Farmers Mutual of Lincoln, Neb.; General Mutual of Albany; Emmco, and Snake River Mutual of Boise.

Also, Civil Service Employees; Iowa Hardware Mutual; Gulf Union Casualty of Baton Rouge; Farmers Mutual of Enumclaw, Wash.; International Auto of Indianapolis; Gibraltar F.&C. of Columbia, S.C.; Mid-Union Indemnity of Elgin, Ill.; Stuyvesant; Colorado Ins. Co.; Franklin F.&C. of Columbus, O., and Guarantee Mutual and Guaranty National of Denver.

New subscribers are American Security of Atlanta; Imperial Casualty of Omaha; Resolute of Hartford; United Security of Des Moines; Financial Indemnity of Los Angeles; Country Mutual of Milwaukee; Mutual City and Village Fire of Dowagiac, Mich.; and Mill Owners Mutual of Des Moines.

St. Louis Board Reelects Dunham

At its annual meeting, Insurance Board of St. Louis reelected William R. Dunham as president. J. Boyd Hill was named chairman; John Brodhead Jr. vice-president; Charles W. DeWitt secretary and Harry Bishop treasurer. Fred R. Donley, William F. Griffin and Robert V. Heffernan were named to the executive committee.

Superintendent Leggett of Missouri will install the officers at a banquet Jan. 28.

The board also voted to amend its by-laws to provide an affiliate membership status for office employees of members who wish to participate in the board's activities.

St. Paul F.&M. Offers Adjusters' Liability Coverage

St. Paul F.&M. and St. Paul Mercury, in cooperation with National Assn. of Independent Insurance Adjusters, have brought out a professional liability policy for adjusters. The coverage is now being offered in all states.

It is the purpose of this policy to cover the legal liability of adjusters for professional services rendered and includes coverage for claims brought against insured for false arrest, assault and battery, malicious prosecution, invasion of privacy and trespass and unlawful detention, libel, pass committed or alleged to have been committed. Coverage is available in amounts from \$10,000 upwards in multiples of \$5,000. The basic coverage is \$10,000 limit of liability with a \$1,000 deductible although the deductibles can be varied from \$250 to \$5,000. Defense coverage and investigation expense is provided and is not subject to the deductible.

Third Generation C. W. Olsen Made Partner of Chicago General Agency

C. W. Olson III has been made a partner in the C. W. Olson & Co. general agency of Chicago, becoming a third generation member of the firm. Olson & Co. was organized in 1893 by C. W. Olson Sr., and C. W. Olson Jr. is one of the principals currently, together with Robert F. Olson and R. A. Cummings.

ACCIDENT & SICKNESS

FTC Bars Federal L.&C. from Advertising A&S Without Listing Limits

Examiner Hier of Federal Trade Commission has issued an order prohibiting Federal Life & Casualty of Battle Creek from advertising broad general A&S coverage without disclosing the limiting provisions in its policies. The order, not a final decision, may be appealed, stayed or docketed for review.

The order bars the company from representing that a policy may be continued indefinitely by insured on payment of premiums unless there is full disclosure of other provisions and conditions of termination. The company also is prohibited from representing that it requires no medical examination unless it actually insures a person without regard to his physical condition either before or after the policy is issued.

The company argued that the complained-of advertising had been abandoned and would not be resumed. Examiner Hier, denying this as grounds for dismissal, said the public interest is immortal, while the company is not, and competition is keen. The company still contends that FTC lacks jurisdiction and that the advertising is not misrepresentative, he said.

Hartford Accident Names 3, Shifts 6

Hartford Accident, as part of its A&S expansion program, has made nine appointments and transfers in A&S sales and underwriting.

William A. Sanderson, former Hartford area Blue Cross manager, has been named Connecticut, Massachusetts, and Rhode Island sales representative. James Lockerbie has joined the company as sales representative at Chicago. Clell Busby has been named sales representative in Des Moines.

George Warren, assistant underwriter, has been transferred to Chicago from Des Moines. Robert J. MacCahill has been transferred from Washington, D. C., to the underwriting division in Hartford. Underwriter William Tortorello has been named sales representative in Chicago.

Sales representative shifts include those of Joseph E. Tromba from Syracuse to Chicago, Walter Pearson from Des Moines to Milwaukee, and Frederick W. Tasney from New England to Syracuse.

To Ask FTC to Reverse Bankers L.&C. Decision

Raymond L. Hays, counsel for the FTC supporting Federal Trade Commission complaint against Bankers Life & Casualty, which was decided Dec. 27 by a hearing examiner in favor of Bankers L.&C., has filed a notice of intention to appeal the decision. The appeal will be taken to the members of the commission, and if they decide to reverse the hearing examiner, it is likely Bankers L.&C. will take the case to U. S. district court.

Continental Casualty Sets Guaranteed Renewable Unit

Continental Casualty has set up a separate division to handle its guaranteed renewable contracts, which heretofore have been sold by the commercial and intermediate divisions. Rich-

ard Gilmore is superintendent of the new division. He has been a special risks supervisor. His new division will be entirely self-contained, providing a nationwide organization for sale of guaranteed renewable policies.

Positive Attitudes Essential to Success. Chicago A&H Assn. Told

A positive mental attitude is the first prerequisite for success in 1957, Jay DeYoung, comptroller and vice-president of International A&H Assn. told members of the Chicago association this week at a luncheon at the Union League Club. Among those positive lines that he urged members to think along were health instead of sickness, success instead of failure.

Mr. DeYoung advised his listeners to "develop a plan and then work your plan." To do this, good working habits were necessary, and these habits included prospecting and qualifying the prospects according to people who can afford to buy.

The A&S people were told to appeal to the wants and desires of the public. "We need a little romance in our selling. We need imagination," said Mr. DeYoung, comparing A&S selling with glamorous TV pitches made by other industries. "If you base your plan on wants and desires, it will be successful, because it is impossible to satisfy wants and desires," he added.

Special attention should be directed to people in the lower income bracket, since these people can afford to buy A&S and are the ones who need it the most, Mr. DeYoung declared. He cited the 28% of all loans made by finance companies to people of lower incomes who need the loans to meet their medical expenses.

Pre-test Questions for National Health Survey

A pilot test study under the new national health survey program will be conducted in Charlotte to pre-test a number of aspects of a questionnaire being developed for national use at a later date.

Interviewing will be conducted by the census bureau which is to perform this advance test and other field work on the survey for U. S. public health service. Data to be collected will include statistics on the number, age, sex, and occupation of persons suffering from diseases, injuries, or handicapping conditions; medical care received; the length of time that these people have been prevented from carrying on their usual occupations or activities; and the economic and other impacts of such conditions.

The national health survey is being undertaken under recent legislation by Congress. The law authorizes the surgeon general to make continuing annual surveys and special studies of the U. S. population to determine the extent of illness and disability and gather related information.

Williams Talks on Disability

Guy Williams, contact officer for the Veterans Administration in Wisconsin, spoke on "Disability Benefits for Veterans" at the January luncheon meeting of A&H Underwriters of Milwaukee.

Richard E. Mueller, Provident Life & Accident, president, announced the appointment of John F. Rogers, John Hancock Mutual, as 2d vice-president to succeed Don T. Williams, Metropolitan Life, who has resigned.

NO. 6 OF A SERIES

Service does Pay

Says a Pearl-American Agent in Northeastern Ohio. This is his story:



"For some time I had been trying to convince a wealthy manufacturing acquaintance of mine that he should let me make a complete survey of his insurance needs. He was friendly but I got nowhere. One day he phoned and said he wanted me to write a policy on a new fur coat and diamond ring which he had just bought for his wife. I knew he was the kind of a person who should have a Personal Property Floater so I said to him, Mr. Blank I'll be glad to bind coverage on a temporary basis but much as I appreciate the business I cannot in fairness to you write the coverage permanently without first examining all of your personal policies to make certain that the policy you have asked me to write fits in with the policies you now have. To make a long story short, he was so impressed by my willingness to turn down business rather than sacrifice a business principle that I, with the help of your field man, wound up making a complete survey, not only of his personal business but his entire plant."

P.S.—The personal survey disclosed six separate Jewelry and Fur Floater policies!

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Arnold Officer of Indemnity of N. A.

William P. Arnold Jr. has been elected assistant secretary of Indemnity of North America. He formerly was manager of the company's Philadelphia metropolitan service office.

Joining the company in 1946, he was appointed a special agent in the New England service office at Boston, named assistant manager there in 1948, and manager in 1949. He became manager at Philadelphia in 1952. He is a past vice-president of Philadelphia CPCU chapter, and a director of Insurance Society of Philadelphia.

Hartford Fire Woman Is Officer

Miss Gertrude M. Schroeder has been elected an assistant secretary of Hartford Fire, the second woman in the 147-year history of the company to become an officer. With the company since 1922, Miss Schroeder is secretary to James C. Hullett, president and chairman of the finance committee. Previously she served as secretary to Charles S. Kremer, retired president and chairman.

She is past president of Hartford Fire Group Girls' Club, and a past president and current director of Business & Professional Women's Club of Hartford.

Frank Sullivan Retires as National Board Representative in Mont.

Frank J. Sullivan, retired assistant manager of Montana Fire Rating Bureau, who has represented the National Board in Montana since 1921, has retired at his own request from this responsibility, including his lobby work at the Montana legislative assembly. Mr. Sullivan was senior lobbyist in years of service at the last Montana legislature.

His successor as National Board representative in Montana will be H. J. Luxan, a Helena attorney, who will also represent Assn. of Casualty & Surety Companies.

Travelers Opens Modern \$100,000 Trucking Dock

Travelers has opened a \$100,000 brick and concrete trucking dock at its printing department in Hartford, which can accommodate six trucks at one time. Entry to the heated interior is made through three sets of 22-foot wide electrically controlled doors, each equipped with an automatic safety device which prohibits their closing on personnel or cargo.

All loading and unloading is done by small hand and electric trucks. The doors between the dock and the main building are controlled electronically, and automatically open when approached by personnel or cargo equipment.

Clark Joins Flood Unit

James Clark, legal assistant for the past two years to Howard Starling, Washington representative of Assn. of Casualty & Surety Companies, has joined the staff of Federal Flood Indemnity Administration as a liaison officer.

Michigan Agents Sponsor Course

Michigan Assn. of Insurance Agents is helping sponsor a week-long institute at Michigan State university for prospective property agents. The course is designed to prepare novices for the state license examination, and is also used as a refresher by experienced agents.

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Southern Agents Ask Preview of Forms

(CONTINUED ON PAGE 2)

along in collision insurance. But, he emphasized, this fact should be pointed out to insured and the public when the coverage is announced. Otherwise insured may think he has PDL when struck by an uninsured motorist when he does not unless he carries collision.

Mr. Bolton said the endorsement uses the term "accident," not "occurrence." This may be broadened in the future, he said. The coverage not only includes use of insured automobiles but maintenance of such vehicles as well, he said. Mr. Hatch said death and dismemberment and adequate medical payments should be emphasized with insured as natural companion to FPC. A named insured can collect under FPC for loss of services, for care, etc., but a business firm cannot collect for injury to a key man since the coverage uses the word "person" and does not include a business firm or corporation. Each car owned by insured must have FPC.

What if an automobile is insured, but in a defunct company, or in a contract that has been voided? Mr. Lusby said the word "applicable" takes care of this. An uninsured car is uninsured unless there is a valid bond or liability policy "applicable." The hit and run vehicle is considered uninsured. However, Mr. Hatch said that a self insured vehicle in those states which recognize self insurers, is not considered uninsured.

Mr. Lusby explained why government vehicles are excluded. FPC in this respect affords the same protection compulsory would provide, and it was not the intent of the endorsement to protect insured from injury caused by a government vehicle. The exclusion in FPC concerning vehicles on rails or on crawler treads follows the definition of the automobile in the standard automobile policy and also follows state compulsory laws.

The farm tractor exclusion is the same as in the automobile policy, Mr. Lusby said, and it would be considered an uninsured vehicle if uninsured and operating on public roads. As respects hit-and-run, there must be physical contact—otherwise anyone falling down to avoid a hit and run vehicle collects under FPC. Collection of damages would be easy for an unscrupulous claimant. An accident involving a hit-and-run vehicle must be reported to authorities within 24 hours after the accident and a sworn statement must be issued to the insurer within 30 days of the accident. Mr. Hatch emphasized the importance of

advising the public of this requirement.

Mr. Lusby said a workmen's compensation payment to insured would reduce the payment under FPC by that much. He pointed out that rules of American Arbitration Assn. apply to FPC and are binding on both insured and company—they cannot be circumvented. The findings of the arbitration committee can be introduced in a court suit. He said he did not think the rules of arbitration, which cover seven pages, would be needed by agents.

What is the insurer's responsibility under the trust agreement section of the endorsement to pay attorney's fees for insured's attorney if insured sues an uninsured motorist without the company's express approval and is successful in the suit? Mr. Lusby said he felt that no reasonable claims man would refuse to pay the attorney's fee in a successful suit even if at first he thought the suit were worthless. The situation might not arise since the company would be hesitant to pay a claim under FPC unless some agreement had been reached on attorneys and suits.

Mr. Lusby said that in New York one in 10 claims are expected to be arbitrated, but so far very few have gone to arbitration. Most responsible companies have requested their claims men to effect settlement if possible and avoid arbitration wherever possible. Mr. Bolton noted that this would keep down the cost of recovery and perhaps lead to lower rates.

In Georgia, Mr. Meriweather said, there is a 15 day delay in securing assigned risk coverage. Since a company can cancel a policy with 10 days notice, this could leave a five-day gap in coverage. Other states indicated they had no such delay. The committee adopted the motion that state associations in SAC be advised of discrepancies in assigned risk regulations, state to state, and that they be encouraged to adopt uniform regulations.

The committee adopted a motion calling on SAC to get in touch with National Bureau for the purpose of recommending the elimination of auto classes 1-B and 1-C because they are not justified from an underwriting point of view.

However, Mr. Bolton said National Bureau has figures and statistics that justify the use of these classifications.

(CONTINUED ON NEXT PAGE)

ANNOUNCEMENT

The Standard Insurance Directory of New England, which has been published by the Standard Publishing Co., of Boston, for the past 80 years, has been sold to The National Underwriter Co. of Cincinnati, Ohio.

The Standard Publishing Co. has just issued the 1956 edition of the New England Directory and will sell and distribute the entire edition. All succeeding editions, however, will be produced by The National Underwriter Company.

The Standard Publishing Co. will continue the publication of New England's insurance weekly, The Standard, upon which the entire staff will concentrate in the future.

The National Underwriter Co. is the largest publisher of Underwriters Hand-Books and State Insurance Directories. With the acquisition of the New England Directory, it will be publishing Hand-Books for 35 states and the District of Columbia.

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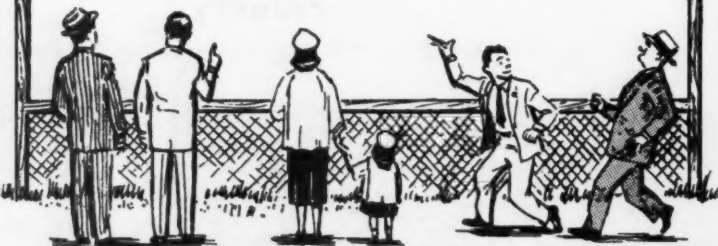
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CORRESPONDENTS OF BROKERS AT LLOYD'S



At the Southern Agents Conference workshop in Atlanta: Seated are Richard Elliott of Richmond, C. E. Smith Jr. of Martinsburg, W. Va., William Fambrough of Columbus, Ga., John Ebaugh of Birmingham, Bernard J. Olason, chairman, of Charleston, S. C., Lee R. Meyer of Meridian, Miss., and Gibson Stevenson of Houma, La. Standing are C. E. Oxford of Greensboro, R. S. Brantley of Raleigh, W. R. Walker of Richmond, and John Wilson of Mobile.

Use of them also holds down the 1-A rate and assists companies in obtaining the 1-A class of business.

Mr. Bolton said that insurers had adopted an open stock burglary deductible to create a better market. An effort is being made to provide for elimination of the deductible for additional premium. Companies also are considering extension of burglary to cover theft when premises are not open for business. This would take care of situations in which a thief enters with a skeleton key or in any way that leaves no marks of entry, Mr. Bolton said.

The committee asked SAC to recommend to National Bureau that the open stock deductible be made optional with the privilege of buying full cover, and that coverage be extended to theft while the premises are not open for business.

Mr. Hatch suggested that a uniform procedure be adopted for rate changes to avoid retroactivity, which always means to agencies the undoing of a good deal of work. Mr. Bolton reported a trend to make changes applicable to all policies written, to become effective 60 days after a certain date regardless of when the policy was prepared.

Mr. Chapman said there is little market for breakdown cover on machines of large value. The rates are high. Mr. Hatch doubted that the committee could go to the bureau and ask an increase in rates without actuarial figures, but suggested the matter be referred to the NAIA casualty committee.

Mr. Mackey said that in Virginia, though agents are required to do considerable work on assigned workmen's compensation risks, they receive no commission. Mr. Brewer said that a commission is paid in Mississippi. Mr. Bolton said that in Florida the companies do not pay a commission because of the fear that the WC assigned risk plan would be abused. Companies might use this as an excuse for refusing less desirable risks.

However, the committee moved that SAC recommend to National Council on Compensation Insurance that on WC assigned risks a producer of record be designated and that the insurer send such policies through its producer and recognize him as is done on auto assigned risks.

Mr. Mackey said that agents in Virginia had considerable difficulty in obtaining filings prior to their approval.



Floyd Curtis of Helena, Ark., and Frank R. Bell Jr. of Charleston, W. Va., chairman, being greeted by Elliott Haas, president of Atlanta board, C. A. Meriwether of Atlanta, vice-president of Georgia association, and James R. Walker of Augusta.

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Boston Group Fetes Gibbs and Watson

Officers of Boston and Old Colony and their wives honored Earl Gibbs, vice-president, and Charles B. Watson, assistant secretary, at a testimonial dinner in Boston on their retirement after a combined record of 79 years of service. Cyril S. Hart, president, was host.

Mr. Gibbs, western department manager, started as state agent in Ohio and then went to the western division at Lansing where he became automobile division manager in 1929, assistant manager in 1934, and manager in 1941. He was elevated to vice-president in 1943.

Mr. Watson spent 45 years with the group. He served in the automobile department, was head of the reinsurance division and for 11 years has been senior marine underwriter.

Sullivan Named V-P of Hanover Fire

John P. Sullivan has been elected vice-president of Hanover Fire and Fulton. He was formerly vice-president of Marine Midland Trust, and chairman of its investment management and research committee.

Harrisburg Assn. of Insurance Agents was addressed at its January meeting by William J. Graul, president of the Pennsylvania association, who discussed the family protection endorsement and the legislative committee report on the problem of uninsured motorists recently made to Gov. Leader.

Company Leaders on Hand for Harris Agency Rally

(CONTINUED FROM PAGE 8)
and a talk on "Brain Trusting" by Ray M. Case, assistant agency manager.

The luncheon was featured with a presentation of a phonograph to Jimmy Bohlinger, known to United Benefit Life as the "Billion Dollar Baby." Jimmy's father is manager of the LeLand hotel at Springfield, where the sales meeting was conducted, and in 1953 bought an endowment on his son when he was born. This policy is the one that put United Benefit in the \$1 billion class, and it was sold, incidentally, by Mr. Harris.

A special award for community affairs was given to Harold Hawkins of the First National Bank of Springfield, who was in charge of the United Service (Community Chest) drive and was the first campaign manager to meet the quota since 1951. Mr. Hawkins was given a plaque, and in presenting it President Skutt of Mutual of Omaha explained that it is Mutual's recognition on the local level of community achievement in the same nature that Criss award is given in health and safety service on a national basis.

Messrs. Skutt and Longworth had a full day in Springfield. They were interviewed on three radio stations and on the local television station, in addition to their activities at the agency meeting, and didn't get off work until nearly midnight after an inspection of the Harris agency's new office building.

Pa. Tests Nonadmitted Reinsurance Tax

Pennsylvania has taken legal steps to determine if the 2% state premium tax applies to reinsurance placed with out-of-state companies not licensed to write directly in the state.

The state has brought action against Millers Mutual Fire, of Harrisburg. The state contends that such reinsurance premiums should be taxed. The company maintains that no tax should be levied on contracts outside of Pennsylvania.

James H. Gorges & Co. has been elected president of Assn. of Insurance Underwriters of Baltimore.

Home Office CLAIMS ATTORNEY

Rapidly expanding domestic casualty insurance company has opening for claims attorney. Future assured, location Springfield, Illinois. State age, experience, qualifications and salary desired in first letter. All replies will be held confidential.

LINCOLN CASUALTY COMPANY
500 E. Capital St. Springfield, Ill.

WILL BUY DENVER AGENCY

Insurance Agent moving to Denver interested in purchasing general casualty and fire agency or agencies. All information strictly confidential. Write Box S-24, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

PRESIDENT AVAILABLE

Top man of small fire-casualty stock company seeks opportunity to head larger operation. Age 38—CPCU—20 years experience. Address Box S-26, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Established, promising territory. Requirements: Age 25-45, good Casualty field experience. Fire experience helpful. Send qualifications to R. C. Merritt, Vice President, Lumbermens Mutual Casualty Company, 20 N. Wacker Drive, Chicago 6.

SPECIAL AGENT

Young man experienced in fire & allied lines, either in rating or inspection bureau, agency, or as adjuster to service Florida & Alabama starting April 1st. Good salary, company car, expense account & bonus. Tallahassee resident preferred. Write: Thomas F. Donnelly, Jr., Drawer "A", Middletown, Maryland, for interview.

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FIRE FIELDMAN IN OHIO

Old established Stock Company has opening for experienced Fire Fieldman in Illinois. Prefer man between 30 and 45 years of age. Must be well equipped to handle Multiple Line, Inland Marine, and Combination Automobile contracts. Please state education and experience. Write J. W. Byrne, Production Manager, Providence Washington Insurance Company, A 1045 Insurance Exchange Building, Chicago 4, Illinois.

FIRE PREVENTION ENGINEER

We are looking for an experienced Engineer to manage our Eastern loss prevention program. Previous rating bureau experience would be valuable. Knowledge of either New York, New Jersey, Connecticut, or Massachusetts rating schedules is desirable. This is an excellent opportunity with an expanding multiple line company. Write, stating background and experience to:

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Auto BI, PDL, PHD Rates Go Up on Coast

(CONTINUED FROM PAGE 1)

years automobile manufacturers have designed automobiles with more glass each year and larger, more expensive curved windshields. The latest models show a continuance of this trend.

As a result of the worsening of the PHD loss trend and the increase in automobile glass losses, premiums for comprehensive on popular priced new private passenger automobiles have been raised \$1 to \$11 in most territories, slightly more for higher priced automobiles and less for older and lower priced models. Due to extremely adverse experience in Imperial county, the increase for a similar automobile amounts to \$25, slightly more for higher priced automobiles and less for older and lower priced models.

Here as in the other states NAUA announces that with the \$50 deductible comprehensive insured can save as much as 40% on the new premiums.

Private passenger \$50 deductible collision is increased almost 13% in most of California. In Kern county the increases average 24%. For \$100 deductible, the increases for the state as a whole average 19%.

Local commercial collision is reduced 8% but comprehensive is increased 8%.

In Washington casualty rates for cars without male operators under 25 are increased \$2 to \$12. Cars owned or operated by married young men under 25 and family cars with young male operators are increased \$7 to \$18. Cars owned or principally operated by unmarried young men under 25 increase \$26 to \$47.

Comprehensive for popular priced new private passenger automobiles is raised \$3 to \$5. Private passenger \$50 deductible collision is raised 14% except in Tacoma where there is no change. The \$100 deductible collision is raised 25%.

Local commercial collision is reduced 5%.

In Arizona cars without male operators under 25 get a casualty increase of \$1 to \$10. Cars owned or operated by unmarried young men under 25 increase \$38 to \$42.

Comprehensive goes up \$8, \$50 deductible collision 10% and \$100 deductible 7%.

Local commercial collision is reduced 10%, comprehensive is increased 20%.

In Nevada casualty for cars without male operators under 25 increases \$4 to \$7. Cars owned or operated by married young men under 25 and family cars with young male operators go up \$11. Cars owned or principally operated by unmarried young men under 25 increase \$44.

Comprehensive increases \$6, and \$50 deductible collision increases 7%.

Local commercial collision rates reduce 9%, but comprehensive increases 12%.

In Montana casualty on cars without male operators under 25 increases \$1 to \$4. Cars owned or operated by married young men under 25 and family cars with young male operators increase \$5 to \$6. Cars owned or principally operated by unmarried young men under 25 increase \$25 to \$29.

Comprehensive goes up \$9, \$50 deductible collision 4% and \$100 deductible 10%.

Local commercial collision reduces 8%, but comprehensive increases 14%.

In Idaho cars without male operators under 25 increase \$2 to \$7. Cars owned or operated by married young men under 25 and family cars with young male operators increase \$7 to

\$11. Cars owned or principally operated by unmarried young men under 25 increase \$28 to \$36.

Comprehensive goes up \$11, and \$50 deductible collision 4%.

In Utah the bureau decreases for some cars without male operators under 25 range \$1 to \$3, for others increases range \$1 to \$3. For the cars owned or operated by married men under 25 and family cars with young male operators rates increase from \$1 to \$3. Cars owned or principally operated by unmarried young men under 25 increase \$16 to \$26.

Comprehensive goes up \$5 and \$6, and \$50 deductible collision in Salt Lake City territory goes up 5%. For \$100 deductible collision increases range 5% to 13%.

Comprehensive for commercial local hauling has been increased.

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(CONTINUED FROM PAGE 5)

sphere of individual responsibility.

The attitude of the insurance industry in the past has not been to compensate victims, but to use persuasive efforts to compel persons who subject others to the hazards of their driving to become financially responsible, he pointed out. Thus the business has supported the indirect compulsion of financial and security responsibility laws. The first laws were applicable only to those who demonstrated their financial irresponsibility by failure to pay judgments. Thus, compulsion applied to those who had demonstrated a need for it. A deviation was made in this philosophy when every motorist involved in an accident regardless of his fault, was compelled to provide financial security for that accident, and in several states, provide for FR for the future. This was the first break away from the philosophy of compulsion without a demonstrated need. Then the business acquiesced to compulsory insurance for certain classes of insurers, such as common carriers and minors. The final, and seemingly most logical, step would be the requirement that all who drive must prove financial responsibility. At this point, however, the insurance industry finds itself divided. The history of compulsory in Massachusetts seems to be the main argument of those who oppose this.

Present FR laws are criticized for leaving some automobile accident victims uncompensated, he said. Critics press for remedial legislation. Such an approach, of course, contemplates the existence of a social problem created by these uncompensated victims and it assumes a premise that the government has an obligation to eliminate this problem by making sure that these victims do not remain uncompensated.

But, Mr. Wise points out, the social problems arising out of the distress of uncompensated victims of auto accidents where fault has been ascertained are no different from the problems created by accidents where the victim is uncompensated because he is contributorily negligent or where he is uncompensated because his accident may not occur on the highway. Destitution and lack of medical care are no less serious because they are a consequence of disease or result from accidents which occur off the highways.

The premise that government must guarantee that risks to an individual's health and safety must be eliminated has its dangers, he declared. There is still the principle responsible for his own wrongs and his own personal economic misfortunes. In solving the automobile problem the aim should not be on the basis of the social approach of compensating all victims through government agencies, but establishment through private enterprise of financial responsibility on the part of those who subject others to the hazards of their negligent driving.

Many in the business are unwilling to subscribe to this principle because of the adverse experience encountered in Massachusetts, he said. They have promoted an alternative scheme to eliminate complaints of uncompensated victims instead of dealing with the financially irresponsible motorist. This was the philosophy behind the New Jersey UJF law, he said. The law was not born out of any sincere

effort to take care of what was considered to be a social problem but was actually born out of fear of compulsory.

That law inaugurates rather startling new and drastic changes in governmental regulation, Mr. Wise said. No legislature has gone so far in the control of private enterprise, nor has private enterprise gone so far in taking over the burdens and functions of government. The danger not only lies within the operation of the law itself and its application in New Jersey, but also in the criteria which it establishes for future legislation in insurance and in other areas involving state and free enterprise.

In this so-called alliance of private enterprise and the state, a vital principle of free enterprise was sacrificed. Insurers are required by law to furnish a defense for uninsured motorists without being compensated for the service. No state, except New Jersey, has ever established such a precedent. There is a serious question as to the constitutionality of this exaction from insurance companies operating in New Jersey, he said. Insurers are required to furnish a defense for motorists for whom they have no contractual responsibility or obligation. Because insurers are in the business of furnishing this service to their own insured for a premium, the state is requiring these insurers to furnish it free of charge for those uninsured motorists who are financially irresponsible and who are unwilling to provide their own defense.

A close analysis of the New Jersey law would seem to indicate that it is leading into the very result that was most feared by those who feared compulsory, that is, governmental ownership and operation of the insurance business, Mr. Wise stated. Anyone who has had experience with the abuses of existing and well-intentioned funds can envision what will happen and is already happening to the New Jersey fund. As time goes by, it will be a simple matter to eliminate private insurance participation. Already demands have been made by public officials that the government have a larger voice in the management of the fund and already serious legislative threats have been made to enlarge the scope of the fund's operation.

Some of the fund's problems are legal and technical, he said. It is in a difficult legal and administrative position to defend itself against fraudulent claims because of the problem of obtaining evidence and the time following the accident before the fund is informed of the claim.

An extremely high percentage of insured motorists is necessary to maintain the solvency of the fund, he declared. There is no assurance that such percentage can be maintained. The public has had difficulty in understanding that the fund in no way relieves them of their own liability. The complications of a joint defense by the fund and by the insured defendant, whose rights may be infringed, present a difficult barrier to the practical operation of the law.

The full impact of claims against the fund will not materialize until several years after the fund has been started and the public and attorneys are fully acquainted with the method of obtaining money from the fund. Take the experience in Ontario, he

suggested. In the first year payments amounted to 53% of fees, second year 80%, third year 99%, and fourth year 130%. Fees were then increased about twice the former rate and in the fifth year the payments amounted to 80%, sixth year 93% and the seventh year 97.5% with the probability that they will go higher in succeeding years. In North Dakota disbursements were \$1,224 the first year; \$20,021 the second year; \$15,631 the third year; \$119,717 the fourth year; \$65,935 the fifth year; \$76,031 the sixth year and \$151,115 the seventh year.

It is too early to tell what the full impact of the New Jersey fund will be though there are very definite signs that the fund is not working as well as the original planners predicted, he declared. There is serious concern on the part of the UJF board that not enough money is being paid out in claims. More than 18 months have passed in its operation and the fund has paid out less than \$150,000 in claims while mounting reserves are well over \$3 million. The total assets of the fund approximate \$5 million. No doubt the experience in North Dakota and Ontario will be repeated with far more devastating results.

In New Jersey, of all the claims assigned to insurers more than 42% have gone to suit, an extremely high ratio compared with the number that go to suit with insurers. The reason is that the law provides that no settlement can be made without the consent of uninsured and the fund has found a great deal of difficulty in obtaining the consent of these irresponsible people. The uninsured motorists have discovered that they are able to get free defense through the unsatisfied judgment fund and are forcing the fund to make a complete defense. They are completely unwilling to make settlements which are conditioned upon their reimbursing the fund. Further, many claimants with just claims have become disgusted with the red tape and have not found it economically feasible to prosecute their claims. The \$200 deductible turns into a deductible of a much higher amount because of the cost of processing the claim.

A sampling showed that most pol-

icyholders in New Jersey favor equal responsibility legislation, Mr. Wise declared.

As to the objection to the principle of compulsion itself, Mr. Wise pointed out that the public, legislatures and courts are nearly unanimous in agreeing that a license to operate an automobile is not a right but a privilege and therefore subject to regulation. To whatever extent the use of the automobile is regulated, to that extent the system is compulsory, he said.

The main danger of compulsory lies in the practical problems arising out of implementation. It has been stated that compulsory insurance law would not apply to out-of-state drivers; beyond the boundaries of the state; to accidents occurring off the public highways; to guest occupants; nor to property damage accidents. The New York law shows that these arguments are specious.

Compulsory cannot close the gap completely, he said, but will reduce the number of financially irresponsible motorists to a minimum where the problem is no longer a social one requiring government intervention. Perhaps the strongest and the only logical argument that can be made against compulsory insurance is the possibility that it will lead to political rate-making and state interference in insurance operation. There are those, however, who believe that through a proper drafting of law, and an intelligent state administration with a firm desire to avoid state interference in the business, that this result will not follow. Either the New York type of law or the equal responsibility one will provide effective means of reducing the problem of the uncompensated victim to where it is no longer of social significance, Mr. Wise believes. Public opinion has expressed itself overwhelmingly in favor of this type of law.

Graham-Stephens agency has been formed by a merger of the Graham-Bushnell and Stephens agencies in Alexandria, La.

John K. Burke, local agent of Michigan City, Ind., has bought the P. J. Kelly agency of the same city.



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1956 Figures Show Need of More Rate

(CONTINUED FROM PAGE 1)

phic, dramatic—and convincing to public and insurance departments. Rates there have experience in sight. But fire, no. Executives are even talking about a trend factor, an idea that appeared in the casualty business several years ago.

The fire business, with its substantially longer duration of contracts appears to find it somewhat more difficult to get rates up than casualty with its preponderantly annual business. However, that in itself makes it more of a matter for fire companies to move promptly when it is necessary to do so.

Presently the fire business is 18 months behind the calendar in getting statistics on which rate changes can be based. With the rapidity and the surge of losses since mid-1955, the companies are doing a considerable amount of suffering, and there is no relief in practical sight. By the time they get a rate change, they will have done more suffering than they like to do and perhaps should do. By that time also the climate may have changed enough to make it difficult or impossible to recoup losses.

At this stage, executives are discussing the need of a more expeditious method of collecting figures. But the fire business is said not only to need figures more quickly, but a centralization of statistical gathering and display. Other segments of the business have faced this problem and have solved it, at least in part, such as National Automobile Underwriters Assn.

Agreement is general that the companies in 1956 began to feel the broadened coverages—the 10% on automatic replacement of property if 80% to value is carried, 10% off premises on personal property anywhere, 10% on rents and additional living expense, etc. The business has no way of telling how many losses have been experienced because of these extensions. The special all risk dwelling form was introduced, but the business is not measuring losses that fall to the companies under the form, beyond fire and wind. The development of broader coverages continues apace; new ones are being brought out before those initiated last year and the year before have been tested. Unquestionably these enlargements are having their cumulative effects.

Competition has tended to drive down rates, or to discourage efforts to get rates increased. Competition also has influenced the advertising and promotion of new coverages, which undoubtedly has produced claim consciousness more rapidly than in times past. Competition also has forced up acquisition costs; commissions have increased.

In the meantime, losses have risen, the dollar value of each loss has climbed, and the effect has been to force the companies into a red ink position about as lugubrious as anything they have had to endure for many years, especially on the fire side. The casualty business has been a little more palatable.

Competition also has tended to eliminate protection requirements, or adherence to good protection practices such as the enforcement of good housekeeping, and the offering of coverage to risks which under other conditions could not so readily find a market.

Multiple line has subjected fire insurance to competition from other sec-

tions of the business, such as inland marine, in addition to heightening competition within its own sphere. Thus a fire company in these days may end up with the building when it formerly had building and contents. The contents have gone to another insurer. This cuts the risk in two and can spoil it for both companies and the class of risk as well. Underwriting is needed that sees an account as a whole and insists upon getting enough money to make the risk tolerable.

Thus fire companies are getting less money for more liability on property that is worth more in dollars, and are paying more in losses, expenses and commissions. They are paying 1957 losses with 1950 dollars. It is no surprise that the insurer showing an underwriting profit in 1956 will be so unusual as to be almost peculiar. Inflation is putting steam under other factors that have been developing at approximately the same time—competition, broadened contracts, etc. Non-multiple line companies have had to become so, an expensive process. Some have voluntarily launched into new fields, others have proceeded reluctantly only because they had to. In either case they have had to buy additional talent to take care of business with which they previously were not concerned. The need for manpower has tended to force up the going price for personnel.

Another trend has been in the field of underwriting itself. One aspect of the rating problem is underinsurance on non-coinsured classes, which has produced higher loss ratios. There are leaks in the coinsurance walls, such as agreed value, non-enforcement of coinsurance standards, etc. For some years, there has been a drift toward less detailed underwriting of risks, largely as the result of efforts by management to reduce company expense. Thus many companies have discontinued underwriting smaller amounts. They have established ceilings under which risks are not inspected. Not long ago an underwriter had the temerity to call for a \$2 inspection report on a small store on which application called for insurance of less than \$5,000. He did this because he "smelled" a slightly strange odor about the risk. The risk turned out to be all right. But the inspection revealed that there was a highly hazardous occupancy a couple of doors away, and the underwriter turned down the business. Within the three months the store burned as a result of an exposure fire, with a loss of \$4,500. In another area and in another line of insurance, an economy program by an insurer resulted in the discontinuance of reports on risks. The field man felt himself so much in the dark that he quit and went with another company.

There is less attention paid to indications that the risk is subject to poor housekeeping. There is less mapping than there used to be. More companies have gone to excess of loss with its consequent elimination of much of the underwriting of business.

It might almost be said that some companies are trying to reduce their business as far as possible to a clerical procedure. This fits in with the long time, traditional regard of the underwriting function of insurance as at best calling for no more talent than that supplied by an alert clerk.

Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

ity, state police were directing registrants to where the booth could be found. They reported that the Allstate agent was checking the FS-1s of Allstate insured to be certain they agreed with the auto registration.

In the meantime, as predicted, a Bronx assemblyman has introduced a resolution in the state legislature calling on Superintendent Holz to investigate Bronx auto rates because they are so much higher than Westchester county rates just across the street from the Bronx.

Nuclear PHD Rating Bureau Is Organized

Nuclear Insurance Rating Bureau held its organization meeting in New York this week, adopted a constitution and by-laws, and elected an executive committee. This is the bureau that is rating nuclear physical damage cover. Kenneth E. Black, president of Home, was chairman of the organization meeting. Harold Wayne, general manager of the new bureau, and J. G. Bill, assistant general manager and counsel, hold similar positions in the three affiliated organizations, Inland Marine Underwriters Assn., Inland Marine Insurance Bureau, and Company Service Bureau.

Stock company members of the executive committee, representing members of Nuclear Energy Property Insurance Assn., are S. G. Behlmer of Hartford Fire with James F. Wyatt as alternate; H. T. Lewis of Royal-Globe with Philip B. Cadman alternate; H. R. Heilman of North America with John B. Davis; Reuel C. Stratton of Travelers Indemnity with George J. Malloy; W. H. Berry of Continental with Harold S. Robinson, and Felix Hargrett of Home with Hunter Y. Van Lear. Mr. Berry was elected executive committee chairman.

The three mutual members of the committee, representing companies in Mutual Atomic Energy Reinsurance Pool, are Marshall Dalton of Mutual Boiler with Gilbert E. Edwards as alternate; T. L. Osborn of American Manufacturers Mutual with Walter T. Tower of Federal Mutual of Boston as alternate, and Henry Jones of Arkwright Mutual with Andrew T. Johnson of Manufacturers Mutual of Providence as alternate.

The new rating bureau is located at 161 William street, New York.

The nuclear liability rating bureau is now forming and is expected to have forms and coverage available soon.

Compulsory Bill Introduced in Indiana

The first compulsory bill of the new Indiana legislature is being introduced by Richard E. Wright, Rep. of Winchester, a high school government teacher.

Based on New York compulsory law, it would require both BI and PD or a cash bond in order to purchase licenses. Wright predicts strong opposition from "insurance interests."

The perennial bill to raise Indiana's \$15,000 wrongful death limitation has already been introduced. Sponsored by Walter J. Beneville, (Dem.), of Jeffersonville, the bill has little chance without substantial amendments.

Seek Return of \$26 Million DBL Reserves

ALBANY—Efforts to force insurers to give back reserves totaling some \$26 million they have built up against payments to unemployed disabled workers under the state disability benefits law are being renewed by an organization representing some 125,000 employees and employers. They failed in a court case and are now trying to obtain legislation that will change the requirement that insurers must accumulate such funds. The insurers regard the premiums out of which the reserves were built up as being fully earned and hence resisted having to return any portion of them. The employers and employees involved have set up an organization called Temporary Conference for Return of Excessive Disability Reserves.

Ohio Federation Offers 6-Point Auto Safety Plan

Insurance Federation of Ohio has asked the legislature to enact a six-point highway safety program as a "concrete step forward in halting the slaughter on our highways."

The program, originally proposed by the Ohio department of highway safe-

ty, calls for:

A demerit system that would rule repeated violators off the road; periodic inspection of all motor vehicles; legislative study into expansion of high school driver training; licensing and regulation of adult driver training schools; addition of 200 state highway patrolmen; and addition of 75 driver license examiners.



Head table group at the annual meeting last week in Chicago of Western Conference of Special Risk Underwriters: From the left, Norman C. Narten, Western Actuarial Bureau; B. J. Rix, Great American, new vice-chairman of the conference; H. Eric Hagen, Travelers Fire, the new chairman; Donald J. Neal, Atlas, outgoing chairman; Kenneth S. Ogilvie, Western Underwriters Assn., secretary; Brice M. Draper, Hartford Fire, and Clyde Winkler, York-shire, chairman of arrangements.



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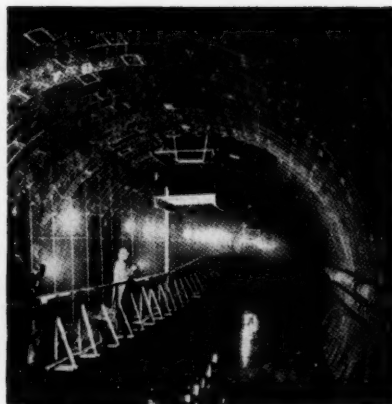
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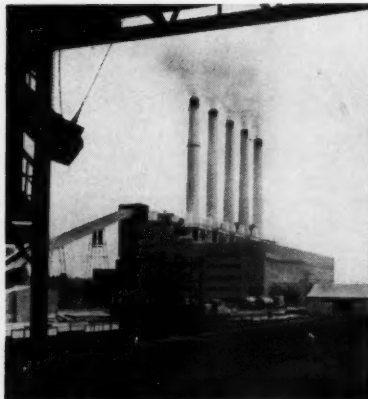
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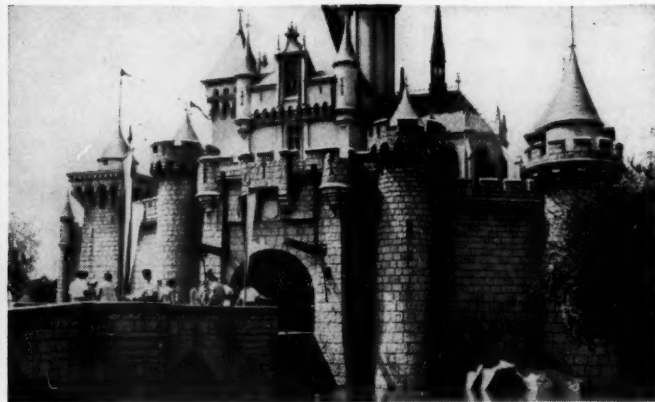
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